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Decision 91-07-010 July 2, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pacific Bell (U 1001 C), a corporation, to amend General Order 96-A.

Application 90-03-008 (Filed March 7, 1990)

(See Appendix A for appearances.)

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OPINION AMENDING GENERAL ORDER 96-A TO ALLOW TELECOMMUNICATIONS UTILITIES TO PROCESS AND EXECUTE GOVERNMENTAL CONTRACTS WITHOUT PRIOR COMMISSION REVIEW AND APPROVAL

1. Summary

This decision grants Pacific Bell's (Pacific) Application (A.) 90-03-008 to modify the current provisions of General Order (GO) 96-A to eliminate the preapproval requirement for governmental agency contracts. In so doing, this order revises Section X.B. and adds a new penalty mechanism (Section X.D.) to GO 96-A which provides fines and penalties as alternative safeguards against below-cost contracting by telecommunications utilities operating under the new regulatory framework (NRF).

This decision establishes safeguards applicable to other local exchange telephone companies (LECs) and interexchange carriers (IECs or IXCs) governmental agency contracts, for instances of below-cost pricing determinations.

The decision also imposes late-filing penalties which apply to any telecommunications utility that does not file its governmental agency contracts within 15 days after the date of execution.

Lastly, the decision adds Section X.E. to GO 96-A which categorically exempts from the preapproved requirement all governmental agency contracts involving cellular radiotelephone, mobile radiotelephone, and personal signalling services, provided by duly authorized carriers. The addition of this categorical exemption to GO 96-A also resolves two longstanding petitions for modification of Decision (D.) 88-08-059 and D.88-09-059.

In view of the fact that these changes to GO 96-A affecting telecommunications utilities will have some impact on nearly all such utilities, copies of this order, when issued, will be mailed to all of the approximately 400 communications utilities

of all types and classes currently authorized to do intrastate business in California.

2. Background

For more than 20 years prior to August 24, 1988, GO 96-A contained a section (Section X.B.) which allowed all electric, gas, telephone, and water utilities to contract with government agencies, at other than regularly filed tariff rates, without prior Commission approval. Then, by D.88-08-059 the Commission adopted a settlement agreement reached by many of the parties in Phase I of Investigation (I.) 87-11-033, which would allow limited downward pricing flexibility for certain services. As a part of the settlement, the parties also agreed to a modification of Section X.B. of GO 96-A to exclude telecommunications utilities, except under emergency conditions, from the provision exempting government contracts from Commission preapproval, and allowing service under such contracts to be free or at reduced rates.

The current version of GO 96-A, Section X.B. states:

Notwithstanding the Governmental Agencies. provisions contained in subsection A hereof, a public utility of a class specified herein, except telecommunications utilities may, if it so desires, furnish service at free or reduced rates or under conditions otherwise departing from its filed tariff schedules to the United States and to its departments and to the State of California and its political subdivisions and municipal corporations, including the departments thereof, and to public fairs and celebrations. The utility shall promptly advise the Commission thereof by Advice Letter and, where a contract has been entered into, submit four copies of such contract and Advice Letter for filing. The Commission may, in an appropriate proceeding in the exercise of its jurisdiction, determine the reasonableness of such service at free or reduced rates or under conditions departing from its filed tariff schedules. This subsection shall not be construed as applicable to contracts for resale service. " (Emphasis added.)

Because of the current language, telecommunications utilities are not exempted from preapproval of government contracts.

This change was made due to concerns that competitive telecommunications services could otherwise be offered at free or reduced rates, and such pricing might be anticompetitive.

Pacific on March 7, 1990, filed this application stating that the current provisions of GO 96-A will preclude LECs from bidding on most federal government contracts because the Commission's preapproval requirement is counter to federal procurement law which requires that each bidder be bound by the conditions of the contract when signed.

Initially, the parties to the settlement in Phase I of I.87-11-033 believed that federal procurement rules could be modified in order to assure similar treatment for government and private party contracts. However, at subsequent workshops held in February and April 1989, it became clear that Department of Defense/Federal Executive Agencies (DOD/FEA), the State of California, as well as other governmental agencies were precluded from amending their rules and laws to create an exception for LECs to bid on projects.

2.1 Waiver of Preapproval for Two Federal Contracts

On March 26, 1990, Pacific wrote a letter to the assigned administrative law judge (ALJ) with copies to all parties, confirming that it had an opportunity to bid on several large government contracts. However, with the current preapproval requirement of GO 96-A its bids would likely be rejected. Accordingly, it was seeking expeditious consideration of its application, including ex parte relief.

AT&T Communications of California (AT&T-C), DOD/FEA, and GTE California Incorporated (GTEC) supported the application.

McCaw Cellular Communications, Inc. (McCaw) protested any change which would affect operations of cellular or radiotelephone

utilities. The California Cable Television Association protested the application, asserting lack of sufficient safeguards in Pacific's proposal. Limited protests were also filed by GTE Mobilnet of Santa Barbara, Limited Partnership (GTEM-SB), and MCI Communications Incorporated (MCI).

On April 13, 1990, the Commission's Division of Ratepayer Advocates (DRA) and Pacific entered a proposed settlement agreement and stipulation to set aside preapproval of Pacific's governmental contracts with the proviso that Pacific would, thereafter, be under certain penalty risks for rendering contract services to governmental agencies at less than "direct embedded cost."

The assigned ALJ set Tuesday, April 17, 1990 for a prehearing conference (PHC) with respect to this application. DRA and representatives of Pacific brought copies of their proposed settlement agreement to the PHC but found that the other parties were not convinced that they should sign the agreement; more importantly, the DOD/FEA felt that the potential penalty terms of the proposed settlement agreement would cause Pacific's bid on any federal contract to be unacceptable. Accordingly, DRA and Pacific agreed to redraft the settlement agreement to be provisional (temporary) in nature to permit Pacific and other telecommunications utilities to bid on two specific federal contracts with bids due by May 5 and May 7, 1990.

The revised Provisional Settlement Agreement and Stipulation (Provisional Agreement) was provided, on April 19, 1990, to the active parties at the PHC to obtain their concurrence not later than Monday, April 23, 1990, so that the Commission could consider authorization of that agreement at its May 4, 1990 meeting.

The Provisional Agreement was to apply only to the two federal contracts described above and not to long-term regulatory safeguards for the LECs, even though DRA asserted that "...the

terms of this provisional settlement create a regulatory structure that will support a permanent settlement."

DRA's Provisional Agreement contained concurring language which specified that it was entered into "...solely for the purpose of allowing Pac Bell to bid for the two contracts designated in its application herein...and is not intended to apply to any other contracts which Pac Bell may submit bids." (Emphasis in original.)

The Provisional Agreement stated that it applied only to LECs and expressly excluded cellular telephone companies and radiotelephone utilities. The Provisional Agreement contained seven conditions, pertaining to all government contracts, which specified that such contracts would be filed within 15 days of execution, and failure to file them on a timely basis would result in a penalty; that, if the contracts failed to be priced at direct embedded or fully embedded cost the LECs would be subject to a penalty equal to twice the difference below that requirement. Also, if there is a requirement for pricing at less than direct embedded cost, then prior Commission approval is required. The provisons also required the LECs to file tracking reports and designated the "Z" factor mechanism to implement penalties, if any, against Pacific only.

More than 25 parties commented on the Provisional Agreement, and while most did not object to the limited purpose of the agreement, they did object to the possibility of being burdened by similar provisions themselves, as to their own participation on other government contracts.²

¹ The seven conditions are contained in full on pages 4 and 5 of Appendix B to D.90-05-038 issued May 4, 1990 in this proceeding.

² A more detailed discussion of the comments received in response to DRA's Provisional Agreement is set forth in pages 7-10 of D.90-05-038.

By D.90-05-038 the Commission waived "the requirement for preapproval of Pacific's and any other telecommunications utility submittals in response to the two pending federal contract solicitations (IRS #90-218 and REL-TS #90-0002)." In doing so, the Commission opined that:

"Three things are very clear to us regarding the instant proceeding:

- "1. There is an urgency associated with the need to waive preapproval if Pacific Bell is to be allowed to bid competitively on the two federal contracts in question for which bids are due on May 5 and May 7, 1990.
- "2. There is little or no consensus that the conditions, provisions or requirements, especially the penalty mechanism of the Provisional Agreement are fair and reasonable for widespread application in the future, to all LECs.
- "3. There is a sincere desire among the respondent parties to provide their respective inputs to any provisional or permanent change to GO 96-A which may later apply in any way to them."

The Commission also questioned the need to apply Section X.B. of GO 96-A to all telecommunications utilities, rather than only to the LECs.

The parties were given an opportunity to present their factual concerns and suggestions for revising the permanent language in Section X.B. of GO 96-A.

D.90-05-038 invited all California telecommunications utilities to participate in the revision of Section X.B. of GO 96-A, "as they deem appropriate" commencing with attendance at a PHC on May 14, 1990.

At the May 14, 1990 PHC efforts were made to determine whether the current terms of GO 96-A Section X.B. should apply to all 397 telecommunications utilities operating in California. An

understanding was reached that the provisions of GO 96-A in effect prior to August 24, 1988 should apply to utilities strictly in the business of providing radiotelephone, cellular, and radio paging telecommunications services. (PHC Transcript (Tr.) 30.) The ALJ also requested DRA to hold workshops during the week of June 4, 1990, to seek a consensus to revise the language of Section X.B. of GO 96-A which Pacific and others claimed had restricted California telecommunications utilities from competing for government contracts. (PHC Tr. 41.)

2.2. Results of the DRA Workshop Seeking Consensus on Permanent Revisions to GO 96-A

DRA held the recommended workshop on June 5 and 6, 1990 in San Francisco. DRA summarized the workshop proceedings as having given the parties a forum to express their views and to identify issues. However, the parties failed to reach a consensus "for the purpose of coming up with revised language for the exception clause to GO 96-A, Section X.B." Apparently, the differences between the participants were too great to produce a compromise settlement. (Workshop Report p. 1, PHC Tr. 41 and DRA Brief, (Br.) p. 3.)

Consequently, the assigned ALJ, on September 18, 1990, issued a ruling setting a schedule for submission of prepared testimony, to be followed by a PHC on November 2, 1990.

2.3 Pacific's Petition for Clarification or Modification and Emergency Relief

On October 19, 1990, Pacific filed a petition to clarify and/or modify D.89-10-031 and D.90-04-031, and asked for emergency relief with hearings to commence on October 29, 1990. This filing related to Pacific's Centrex Contracts for both governmental agencies and private parties. By these pleadings, Pacific sought clarification as to how rate imputation should be calculated for all Centrex contracts.

Hearings were not scheduled on Pacific's petition on October 29, 1990 as it had requested. However, on November 2, 1990 during the PHC scheduled in Pacific's A.90-03-008, seeking to modify GO 96-A to eliminate preapproval of government contracts, DRA suggested that the petition be consolidated with A.90-03-008. In addition, DRA mentioned that Pacific intended to file an Application to Recategorize Centrex Service as a Category II Service with limited pricing flexibility, and that this additional filing should be also consolidated with the Application to Modify GO 96-A.

Though extensive discussions were held on the consolidation issue, no consensus was reached among the parties, largely because Pacific had not yet filed its Application to Recategorize Centrex Service as a Category II Service and the parties had not yet had a chance to react to it. At the conclusion of the PHC, the assigned ALJ suggested that Pacific file its planned Application to Recategorize Centrex as Category II by November 9, 1990, and directed the parties to file their comments regarding the propriety of consolidating that application with A.90-03-008 by November 26, 1990. Further, the ALJ directed the parties to come to a PHC on December 4, 1990, prepared to state whether they would support or oppose consolidation of some or all or these proceedings. Lastly, the ALJ set December 5 and 6 for hearings on A.90-03-008.

At the December 4, 1990 PHC, the ALJ ordered the consolidation of A.90-03-008 with the petition. After subsequent discussion by the parties regarding the imputation issues raised by the petition, the ALJ narrowed his consolidation ruling only to the

³ Pacific filed the Application of Pacific to Categorize Centrex Service as a Whole and PBX Loops as Category II Services and to Adopt Pacific Flexibility for Centrex and PBX Service on November 9, 1990. (A.90-11-010.)

issue of whether Pacific should be granted interim relief. The ALJ deferred any consideration of final imputation principles until such time as the Commission decides the imputation issue in Phase III of I.87-11-033 or some other proceeding.

Subsequent to this ruling, all of the parties conferred. Pacific, as the moving party in the Petition for Emergency Relief, drafted a stipulation for consideration by the parties to A.90-03-008. The stipulation addressed Pacific's request that Commission Advisory and Compliance Division (CACD) be directed to promptly resume processing GO 96-A Centrex contracts using the pricing methodology that had been approved in Phase I. Certain parties concurred with the stipulation while others stated that they would not oppose it. Pursuant to the stipulation, all GO 96-A Centrex contracts, which are priced at or above the higher of direct embedded costs or 1 party measured business service plus end user customer line charge (1MB + EUCL) and which meet the other contract guidelines previously negotiated between CACD and each LEC, would be approved.

On December 6, 1990, after further discussion, all parties agreed to waive their rights under Public Utilities (PU) Code § 311(d) and Rule 77.1 et seq. of the Commission's Rules of Practice and Procedure, regarding the issuance of a proposed decision on Pacific's Petition for Emergency Relief as long as the adopted decision approved, in its entirety, the terms of the stipulation.

On December 10, 1990, Pacific filed a Motion for Entry of an Interim Decision asking the Commission to adopt a proposed interim decision pursuant to a stipulation of the parties.

On December 14, 1990, Pacific filed an amendment to its December 10 motion stating that, based on certain revisions to the stipulation, no party opposed the revised stipulation.

Accordingly, by D.91-01-018, dated January 15, 1991, the Commission adopted the revised stipulation establishing the basis

by which Pacific and other California LECs could file advice letters for Pacific's Centrex contracts or other equivalent LECs services.

3. Evidentiary Hearing Summary

Evidentiary hearings were held in A.90-03-008 on December 5, 6, 17, and 20, 1990 and January 10, 1991. Testimony was given by witnesses from Pacific, GTEC, Citizens Utilities Company of California (Citizens), AT&T-C, Bay Area Teleport (BAT), MCI, FEA, and California State University (CSU). This application was submitted on receipt of concurrent briefs on February 12, 1991.

4. Commission Preapproval of Governmental Contracts Should Be Eliminated

All parties except BAT and MCI agree that GO 96-A should be amended to allow all telecommunications utilities to enter firm contracts with government agencies without prior Commission approval.

4.1 Position of FEA

The current GO 96-A preapproval requirement assertedly impedes the ability of a telecommunications utility to provide a firm, fixed-price response to requests for competitive bids on communications contracts. This issue was best described and established by Mark Langsam in his testimony, on behalf of the FEA, who he has worked for, during the past 21 years, in the "procurement arena." Langsam testified that the FEA is required by the federal acquisition regulations to obtain firm, fixed-price responses to competitively bid communications contracts.

(Tr. pp. 109-110.)

Langsam was also concerned that the requirement of prior Commission approval could allow the bid prices to be released to other bidders in the market. He stated:

> "...if we sign a contract with a vendor, the vendor then submits that contract with the prices to a Public Utility Commission, there's a possibility those prices could get out into the market. The regulations that we operate

under require that we keep the prices that we pay for procurements in a competitive procurement secret or confidential for the life of the contract unless the vendor authorizes us to release them.

"So to the extent that the prices may inadvertently get out to the markets, you may lose control of that information by having to submit prices to a third party that may not be as security conscious as we are, which gives us some degree of discomfort." (Tr. p. 124.)

4.2 Experience of CSU

Pat Dayneko, manager of systemwide acquisition for electronic data processing and telecommunications equipment for CSU, testified that over the past six years the CSU system has converted over 20,000 lines which were previously supported by local utilities [central offices] to PBX systems. She opined that this conversion was due in part to the current GO 96-A preapproval requirement which has effectively prevented the utility from successfully participating in a competitive procurement. No other vendor of telecommunications goods and services must comply with this particular requirement.

"It is certainly in our best interest to insure that all feasible alternatives to a comprehensive telecommunications facility at the campuses, including leased services are fairly evaluated within a competitive framework. For these reasons I support amendments to the existing regulations which will either eliminate the preapproval requirement or accommodate required review processes within State dictated procurement cycles." (Ex. 5, p. 3.)

4.3 BAT and MCI Disagree

BAT and MCI take issue with Pacific's request to eliminate the preapproval process for governmental contracts. BAT is a provider of high-speed point-to-point dedicated transmission services in Northern California and thus is a direct competitor to

Pacific for such services. BAT argues that the Commission should retain the preapproval process. BAT contends that current GO 96-A preapproval language from the Phase I settlement represents a quid pro quo, as follows:

"In return for obtaining pricing flexibility for Centrex, High-speed Private Line, and Vertical Services, Pacific and the other LECs had to accept prior Commission review of contracts with government utilities so that LECs would not exercise their pricing flexibility in an anticompetitive manner to the detriment of ratepayers or competitors." (BAT Br. p. 4.)

BAT argues that Pacific's current share of the Centrex market is irrelevant because Pacific has the ability to cross-subsidize Centrex service with contribution from other non-contract-based Centrex customers, and from other services even under the NRF price cap regulatory regime. In addition, Pacific has advanced no evidence on the change in its Centrex market share since the preapproval requirement was added to GO 96-A.

BAT also asserts that Pacific has not met its burden of proof that its market share in the High-speed Private Line market is low enough to indicate a lack of monopoly or market power. (BAT Br. p. 5.)

MCI argues that elimination of preapproval requirement on any discriminatory basis would favor the LECs and is inappropriate. MCI concurs with BAT that Pacific has not met its burden of proof that elimination of the the preapproval requirement for telecommunications utilities is reasonably necessary.

(MCI Br. p. 4.)

MCI also contests the need for "dismantling" the preapproval process and argues that any relief granted to Pacific should be limited to government contracts for Centrex service only. MCI contends that, while it does not oppose the eventual relaxation of government contract preapproval requirements, such action should be "...in the context of a full examination of the special contract

market in the Phase III [implementation rate design] proceedings" of I.87-11-033. (MCI Br. p. 6.)

MCI expresses concern that if immediate regulatory flexibility is given to Pacific and the LECs to protect a niche market, the "LECs will use their new latitude to charge residential ratepayers more to contribute to government services provided at or below cost." (MCI Br. p. 8.)

Pacific responds that it would be virtually impossible to obtain the preapproval recommended by BAT and MCI and still meet the RFP filing deadline on governmental contracts. In its brief, Pacific cites the testimony of DRA's Dr. Sullivan as acknowledging the obstacle created by the need for preapproval as follows:

"It is now clear that neither the federal or state procurement rules will be modified to permit preapproval by the CPUC of contract bids by telecommunications utilities. Instead, attorneys representing federal agencies have simply stated that federal procurement officers will be advised to view any contract subject to CPUC review as a bid subject to revision, and therefore defective." (Exh. 2, p. 4 and Pacific's Br. p. 9.)

Pacific also contends that the current procedure allows for intervention and protest by any party, including Pacific's competitors, and that "could, in fact, delay the Commission's approval of the pre-bid proposal until after the RFP response is due." (Pacific Br. p. 10.)

4.4. Discussion of the Approval Process

We agree with Pacific that the preapproval process delays the bidding process. More important, however, it precludes the submission of a firm, fixed-price response to a government RFP, making that submission of questionable value at the time bids are open.

On a more subtle note, when bid proposals are submitted for preapproval, there is a clear danger that such bids may become

public and inadvertently or otherwise damage the competitive bidding process.

Accordingly we will amend GO 96-A to remove the requirement for preapproval of governmental contracts, with necessary safeguards against below-cost bidding by the telecommunications utilities, particularly those operating under incentive regulation prescribed in the NRF, as recommended by all parties except BAT and MCI.

5. Safeguards Against and Penalties for Predatory Pricing

5.1 Recommendation of DRA

DRA contends that the elimination of preapproval of government contracts will result in the loss of a major regulatory tool for ensuring compliance with Commission regulations. Accordingly, it proposes the adoption of four new principles to guide the contractual provision of telecommunications services by Pacific and GTEC to government agencies, as follows:

- "o Allow contracts with government agencies to become effective and binding before a review by the Commission's CACD.
- "o Impose a penalty for violations of the costing standards developed to regulate private sector contracts.
- "o Levy performance penalties on a late filing of the required regulatory reports.
- "o Distribute penalty revenues to ratepayers as a 'Z' factor adjustment in the annual price cap review." (Ex. 2, p. 8.)

DRA argues that:

"...the penalty for violation of costing and reporting provisons controlling the offering of services under contract offers a practical solution. The penalty proposed by DRA permits LECs to compete for government contracts, but provides a strong incentive to comply with Commission regulations. Penalties need to be large enough to ensure that the development of

review procedures with LECs that minimize the potential for violations, and yet not be so large as to be confiscatory. The levy of penalties on a case-by-case determination as proposed by GTEC, would require a major commitment of regulatory resources that could have little effect on deterring violations of rules and regulations. On the other hand, if penalties are set too low, they may simply become a cost of doing business and thus fail to ensure compliance with regulations." (DRA Br. pp. 4-5.)

DRA recommends that the Commission impose a "strict liability" for costing violations. This DRA believes will facilitate the Commission's ability to penalize violations as they occur and to assess penalties large enough to reduce any profit inherent in noncompliance.

Accordingly, DRA proposes an automatic penalty equal to twice the difference between total projected contract revenues and minimum projected costs over the life of the contract. CACD would be responsible for tracking the government contracts, and would recommend penalties as appropriate to the Commission for routine adoption. Any penalties would be subject to interest equal to the three-month commercial paper rate from the effective date of the contract until the date the ratepayers are made whole. The penalty would be collected in the year assessed through the "Z" factor adjustment. Rare exemptions from penalties could be considered on a case-by-case basis provided circumstances warrant such a review. (DRA Br. p. 5.)

5.2 Pacific's Concurrence with DRA

Pacific concurs that the automatic penalty approach proposed by DRA should be adopted, but modified to allow the penalty to be excused, upon petition of the utility including a showing of special circumstances. (Pacific Br. p. 4.)

5.3. GTEC's Response to DRA's Recommendation

GTEC does not quarrel with the amount of DRA's recommended penalties, but disagrees that the penalties should be automatic. Instead, GTEC advocates that penalties should be imposed on a case-by-case basis, on the belief that a utility should have the right to contest the reasonableness of a proposed penalty when appropriate.

5.4 MCI's Objection to DRA's Penalty Proposal

MCI contends that DRA's proposal provides deficient safeguards and penalties to discourage anticompetitive conduct.

MCI views the penalties as insufficient to keep the LECs from successfully underbidding their rivals by pricing below cost. MCI asserts that the LECs would retain most of the fruits of the bargain and only sacrifice a monetary fine equal to a tiny fraction of the contract value.

MCI cites its testimony as clearly demonstrating that DRA's penalty approach would create insignificant and indiscernible reductions in the earnings of the affected utilities. (Tr. pp. 667-671 and MCI Br. p. 21.)

5.5 BAT's Response to DRA's Recommendation

BAT argues that the post-contract review proposal of Pacific and DRA, while a "noble-sounding solution," is in practice ineffective. This is because it will take a very long time between the filing of an action and the final judgment, during which the harm to the competitor will be truly significant. BAT asserts that: "The antitrust solution is unlikely to be pursued, and thus is no solution at all."

5.6 AT&T-C's Recommended Penalty Treatment for IECs

AT&T-C, recommends that if an IEC executes a below-cost contract, post-contract penalties be developed to preclude any opportunity for the IEC to contract with government agencies for a specified period of time. This recommendation follows the fact

that most IECs (other than AT&T-C) are not required to provide cost information when they submit contracts to CACD for review, approval, and filing.

5.7 Discussion

We agree with DRA that any penalty for below-cost anticompetitive pricing under government contracts should be "adequate to ensure compliance with cost requirements" and be applied with a minimum of Commission staff effort. We view our authority to assess the DRA recommended penalty formula as deriving from PU Code § 701, rather than other provisions of the PU Code which include specific penalty amounts.

We are, however, persuaded by MCI and BAT that the penalty amounts recommended by DRA for near-but-below-cost pricing would not even amount to a slap on the wrist of the two utilities (Pacific and GTEC) now under the NRF.

We believe that any reasonable penalty must in fact create a true and well-understood deterrent to any consideration of below-cost pricing of services by Pacific and GTEC.

In response to the concerns of MCI and BAT, we must develop a penalty mechanism that Pacific and GTEC understand and one that will make it unprofitable for them to violate the prohibition on below-cost bidding. In so doing we must also recognize that in the post-contract review process, any need for a penalty will impose added demands on CACD to prepare and present the necessary order (resolution) to us for adoption. Therefore, any penalty must cover not only an appropriate amount for the violation but also include some recognition of the costs of processing the violation. We are constrained by PU Code § 2107 to

limit the maximum fine for each offense to \$2,000. Each day that a below-cost contract continues in effect, however, could be construed as a further violation. Also, it must be kept in mind that PU Code § 2107 has not been revised since 1951 when the purchasing power of a dollar was many times greater than today.

It follows that in addition to any amount of undercharge penalty computed as DRA proposes to be returned to Pacific's and GTEC's ratepayers through the "Z" factor adjustment, we should also impose a fine for each violation to cover the otherwise unnecessary costs of CACD's preparation of resolutions to address the violation and invoke the computed penalty. We believe that the \$2,000 maximum amount allowed by PU Code § 2107 is appropriate for each violation.

We also agree with BAT and MCI, that for small undercharges the penalty formula proposed by DRA, which we may impose under PU Code § 701, would have little impact on a telephone utility such as Pacific or GTEC, yet the undercharges might be sufficient to take business away from its competitors. To help mitigate concerns over small penalties, we will use our authority under PU Code § 701 to set a minimum penalty level of \$10,000, and

^{4 &}quot;2107. Any public utility which violates or fails to comply with any provision of the Constitution of this State or of this part, or which fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission, in a case in which a penalty has not otherwise been provided, is subject to a penalty of not less than five hundred dollars (\$500) nor more than two thousand dollars (\$2,000) for each offense." (Enacted by Stats. 1951, Ch. 764.)

⁵ A \$50/month undercharge on a five-year contract would only result in a \$6,000 penalty under DRA's proposal (e.g. \$50 \times 2 \times 12 \times 5 = \$6,000).

also apply a \$2,000 fine, as previously discussed, for each occurrence of a verified undercharge.

CACD will be directed to use the resolution procedure to process those Advice Letters with government contracts which are found to be priced below cost. All governmental agency contracts which are found to be priced above cost may be filed as they were historically before the change was made to Section X.B. of GO 96-A.

Lastly, we wish to make clear that the utilities, by computing their contractual rates and charges carefully, can avoid all penalties and fines contemplated for misconduct under this order. Therefore, we expect any use of the penalties and fines to be for exceptional and extraordinary cases only. If we see multiple violations over a reasonably short period of time, we will, upon motion of any party to this proceeding, consider reopening of this issue to reinstate preapproval or alternatively deny governmental contracting authority at rates other than regularly filed tariff rates for the responsible utility. 7

We also envision this process as being reasonably automatic and will entertain hearings for formal review of CACD's recommendations only after issuance of appropriate resolutions establishing the penalties and fines. Any petitions not containing a showing (factual cost studies) clearly establishing that the questionable rates and charges are set above cost will be summarily denied.

^{6 &}quot;701. The commission may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction." (Enacted by Stats. 1951, Ch. 764.)

⁷ Three confirmed violations per year would cause us to review our determination that preapproval of governmental contracts is unreasonable and unnecessary.

6. Review of Contracts and Administration of Penalty Mechanisms for LECs Not Under the NRF

6.1 DRA's Recommendation

DRA recommends that for the 18 smaller LECs, the "...traditional prudency review, to ensure that revenues cover costs, within the general rate case context is adequate to ensure compliance with cost requirements." DRA also suggests that the treatment of the three mid-sized LECs (Citizens, Contel, and Roseville) be the same as for the small LECs after these have their monitoring phase, designated by D.88-09-059, in place. At that time the mid-sized LECs will be exempt from preapproval requirements or penalties but would remain subject to Commission review for prudency and cost recovery as part of general rate cases, proceedings considering orders to show cause and Commission-instituted investigations. (DRA Br. pp. 5-6.)

6.2 Response of Roseville and Citizens

Roseville contends that it "should be treated like the smaller LECs would be under DRA's recommendations," and "should not be required to develop cost-support and monitoring guidelines." (Roseville Br. p. 2.)

Citizens concurs with Roseville's contention and argues that the cost and burden of requiring it "...to develop complete contracting guidelines, in advance, with CACD was not justified where a contract would be presented for review only on rare occasions." (Citizens Br. p. 5.)

6.3 Discussion of Treatment of Governmental Contracts of the Small and Medium-sized LECs

We agree with Roseville and Citizens that government agency contracts of the small and medium-sized LECs should be timely filed after execution without the need for contemporaneous cost-support data.

At such time as the medium-sized utilities come under the provisions of the NRF, then the treatment of their respective

governmental agency contracts will be the same as we will establish for Pacific and GTEC herein. Meanwhile any penalties for below-cost contracting with governmental agencies will be addressed in the respective general rate proceedings of the small and medium-sized LECs, or in applicable formal complaints against such utilities.

7. Review of Governmental Contracts and Administration of Penalties for IECs

7.1 AT&T-C Proposal

AT&T-C proposes that an alternative penalty mechanism apply to IECs who price contract services below cost. The penalty as proposed by AT&T-C would entail suspension of the IECs' ability to contract for a specific period of time. The time period would vary with the degree of violation. (AT&T-C Br. p. 17.)

AT&T-C argues that all IECs should be required to file their government contracts with the Commission within 15 days of the execution date. AT&T-C also asserts that all IECs should support each contract filing with an incremental cost-showing. (AT&T-C Br. pp. 6 and 9.)

AT&T-C, while advancing its argument that all IECs should be treated equally with regard to the need for cost-showing in support of contracts, did yield somewhat in a response to a question by the assigned ALJ. AT&T-C's witness M.P. Witherington, Jr. was asked what AT&T's position would be if other IECs were not required to make a cost-showing with each contract but were held to pricing services above cost and were required to establish costs if a valid complaint or protest were filed to a contract.

He replied:

"Well, that is clearly not what we would prefer to see. I don't believe that provides a level playing field.

"But I think that if we are relieved of the preapproval process, I think that is at least something that we could live with."
(Tr. p. 630.)

In its brief, AT&T-C characterizes this process as placing "...a greater burden on AT&T than its competitors, however it is a vast improvement over carrying forward the dominant/nondominant regulatory disparities that apply to tariffed services." (AT&T-C Br. p. 11.)

7.2 GTEC Requests Cost-support for Government Contracts by IECs

requirement should be applied to all carriers so that the Commission will have documentation that contract prices reflect their associated costs. (Ex. 14 pp. A-5-A-7.) Payne also contends that every viable business has some idea of what it costs to provide its various services. At minimum, IECs "should be required to price their contract services to cover their incremental or marginal costs." (Ex. 14 p. A-7 and GTEC Br. p. 8.)

7.3 DRA's Position on Governmental Contracts of IECs

DRA contends that no change in rules or procedures affecting IECs should be implemented at this time. DRA opines that:

"The concerns of these utilities can be addressed adequately in the ongoing [NRF] proceeding or in the public interest forum proceeding or in applications or complaint proceedings provided under the Commission's rules." (DRA Br. p. 6.)

7.4 BAT and US Sprint Object to Provision of Cost Data by Nondominant Carriers

BAT and US Sprint (Sprint) argue that the Commission has made a distinction between dominant and nondominant IECs in numerous proceeding and decisions. Sprint cites D.89-07-044 (at page 5) wherein the Commission determined that Sprint had neither market share nor recourse to any source of monopoly revenues to cross-subsidize prices for anticompetitive reasons. Sprint also

cited D.90-08-032 where the Commission (at page 10) stated its continuing policy that nondominant carriers are not regulated on a cost of service basis.

7.5 MCI's Position on a More Thorough Review of AT&T-C's Governmental Contracts

MCI maintains that AT&T-C as the dominant carrier should either accept the same safeguards the Commission recommends for the LECs or remain constrained by the present restriction at least until it submits an application and the Commission implements other necessary safeguards.

7.6 Discussion of Commission Review and Administration of Governmental Contracts of IECs

The IECs would face many of the same problems as the LECs if we continue to require preapproval of their contracts with governmental agencies. Therefore, we will not implement MCI's recommendation to require AT&T-C to seek preapproval of its governmental contracts nor will we extend that requirement to any nondominant IECs in good standing.

As to the requirement for cost studies demonstrating that governmental contracts are priced above cost, we will continue to require AT&T-C to include such cost-support with its timely filings of executed governmental contracts. Nondominant carriers will be allowed to timely file their executed governmental agency contracts without supporting cost data. All such contracts filed by nondominant IECs shall, unless challenged, be deemed to be priced above the costs of the services provided. When a contract is challenged in a formal investigation or complaint, we may require a nondominant carrier, and we will require AT&T-C, to defend the cost basis of the specific contract or contracts at issue.

We will also adopt AT&T-C's recommended penalty mechanism and deny any IECs the right [for a specific period of time to be determined on a case-by-case basis, as circumstances warrant] to

negotiate new governmental contracts at other than tariff rates after instances of proven violations.

8. Penalties for Late-filing of Governmental Agency Contracts

8.1 DRA's Recommendation

DRA recommends that all telecommunications utilities' governmental agency contracts be filed within 15 calendar days after execution. Thereafter, DRA would impose a late-filing penalty based on a percentage of the total contract revenue over the life of the contract as follows:

Lateness of Filing in Months	Penalty Factor to Be Applied to Total Contract Revenues	
1 or fraction	18	
2	2%	
	3%	
<u> </u>	4%	
5	5%	
6	6%	
7	7%	
8	8%	
0	9%	
10 or more	10%	

8.2 GTEC Objects to the Latefiled Penalty Levels

GTEC contends that the late-filed penalty percentage of total revenues factors recommended by DRA "are excessive and could well exceed the profit built into the contract." (GTEC Br. p. 18.) GTEC focuses its argument particularly to the factors DRA recommends be applied during the first three months, after the 15-day grace period. Furthermore, GTEC notes that "...it would be very difficult for a utility to justify a filing delay of more than 3-months duration." (GTEC Br. p. 19.)

8.3 Pacific Would Accept DRA's Proposed Level of Late-filing Penalties with an Appeal Procedure for Exceptional Cases

Pacific is willing to accept the "...relatively automatic penalties for missing filing dates and failing to meet cost criteria agreed to by the utility and CACD, but which may be excused upon petition of the utility showing special circumstances." (Pacific Br. p. 4 and Ex. 2 App. A.)

8.4 Discussion of Late-filing Penalties

We conclude that there is little reason for any utility to file its executed contracts late, since any cost data and studies necessary for drafting the contract would have been completed prior to execution of the contract. Reproduction and mailing of the appropriate number of copies of these documents to the Commission and interested parties as required by GO 96-A would not warrant a delay of more than 15 calendar days. Conversely, we are less concerned about a filing delay of a few weeks than the accuracy of the cost-support for telephone utilities operating under the NRF and for AT&T-C.

Therefore, we concur with GTEC that the initial penalties proposed for late-filing are generally too severe for the first 90 days. We also agree that there can be virtually no excuse for delays in filing in excess of 90 days, and will leave such penalty levels at or near the current levels recommended by DRA. Accordingly, we will divide the late-filing penalties recommended by DRA by a factor of four for the first month or fraction thereof and double it each successive month to the third month and thereafter adopt DRA's recommended penalties as follows:

Lateness of Filing in Months

Penalty Factor to Be Applied to Total Contract Revenues

1 or fraction
2
3
4
5 through 10 or more

1/4%
1/2%
1%
4%
Same as noted in tabulation in

paragraph 8.1 above

Period of Liability for Review of Contracts by CACD

Timely review of contracts is necessary for reasonable compliance with the intent of these GO 96-A revisions. DRA's Sullivan recommended a liability period of one year after filing, in response to specific questions from the ALJ as follows:

"Q So, in other words, Pacific Bell would negotiate a contract with a government agency, not seek preapproval but subsequent to exercising that contract it would file it, and shortly thereafter the CACD staff would be obligated to find a fault with it or forever hold its peace.

"What would that period of time be?

- "A It is not specified but I believe it would be up for grabs for that whole initial first year.
- "Q So it would be a one-year basis but they
 would review it --
- "A (Indicating)
- "Q -- and subsequent to that you would not seek to impose a penalty under your plan.
- "A No. . . . " (Tr. p. 353.)

No party took serious issue over the one-year liability period proposed by DRA.

Therefore, it is reasonable to conclude that any contract which has not been processed within 12 months of its filing will be deemed to be in cost-compliance, without liability for a future penalty. We will adopt such a policy in this order.

10. Categorical Exemptions

All parties to this proceeding concur that a categorical waiver of the preapproval requirement should be granted for all governmental agency contracts involving cellular radiotelephone, mobile radiotelephone, and personal signalling services, provided by any duly authorized and certificated telecommunications utilities offering such services.

AT&T-C in Attachment A to its brief suggests that a new Section X.E. be added to GO 96-A, for these categorical exemptions, as follows:

"X.E. 'Non-Applicability of Policies and Procedures'

"The foregoing policies and procedures are applicable to intrastate local exchange telecommunication utility carriers and interexchange carriers. These policies and procedures shall not apply to the mobile radiotelephone and cellular [radiotelephone services] or personal signalling services offered by telecommunications utilities." (Emphasis deleted.)

10.1 Discussion of Categorical Exemptions

AT&T-C's suggested addition of Section X.E. is reasonable and the proposed text with minor modifications will be adopted. We wish to make clear, however, that we expect executed governmental agency contracts involving the services categorically exempted from preapproval (supra) to be timely filed with the Commission within 15 days after their execution.

11. Comments: ALJ's Proposed Decision

In accordance with PU Code § 311, the ALJ draft decision prepared by ALJ George Amaroli was issued on May 30, 1991. Timely

comments on the proposed decision were filed by AT&T-C, Calaveras Telephone Company, on behalf of itself and eight other small LECs, Citizens, DRA, GTEC, Pacific Bell, MCI, Roseville, and US Sprint. Reply comments were filed by AT&T-C, GTEC, GTEM-SB, MCI, and US Sprint. Irregularly prepared comments were tendered for filing by BAT, and Late Reply Comments were tendered for filing by Pacific Bell. All of the comments, referred to above, were reviewed and considered in preparing this section.

11.1 Arguments on Issues

BAT and MCI, commented that LECs should not be exempted from preapproval of government contracts. GTEC, AT&T-C, and Pacific replied that these were merely rearguments of BAT's and MCI's previously stated positions and should be rejected. We agree that these same arguments were previously raised during the course of the hearings and in their briefs in this proceeding. In keeping with Rule 77.3 of the Commission's Rules of Practice and Procedure, such arguments are given no weight.

11.2 Clarification of Cost Basis

will be used for determination of any potential penalties recommended by CACD? GTEC hints at an answer to its own question by referring to D.89-10-031 as: "The costing convention adopted in the Commission's Phase II decision for the cost floors for the Category II services of GTEC and Pacific is embedded direct costs." (GTEC Opening Comments (O.C.) pp. 2-3.) GTEC is correct that the current cost convention used by CACD is as adopted in D.89-10-031, when analyzing the costs of GTEC and Pacific Bell. For AT&T-C, a different costing standard is used, namely its TICM Model used to determine long-run incremental costs as modified and adopted by D.90-11-029 on November 9, 1990, is the current standard.

Since these standards may change from time to time and from company to company, we will merely direct CACD to use the latest Commission adopted "cost convention" as the appropriate

standard. To remove an ambiguity for the present, we have asked CACD to prepare a list of the current "costing standards" it uses. These "costing standards" are contained in Appendix C to this order.

11.3 Clarification of Costing Requirements for Non-Dominant IECs

MCI and US Sprint object to any cost review (even in complaint proceedings) of a NDIEC's governmental contracts. GTEC alternatively, asks that we have no rationale for giving any discretionary treatment to NDIECs. Accordingly, GTEC contends that the NDIECs should be required to file cost data whenever a complaint is filed with, or an investigation is initiated by the Commission alleging that the NDIEC's contract service rates are below cost.

It is clear from our treatment of the NDIEC's, during the past six years or more, that we have nearly always given them the benefit of the doubt relative to rate setting without benefit of cost support. However, when a valid complaint is filed against a NDIEC, it may be necessary to require a showing that the NDIEC is not engaging in a below-cost anti-competitive practice. Therefore, it should be clear from our discussion of this issue that we will not expect to be asked to review the costs of NDIEC service offerings in governmental agency contracts, except on extremely rare occasions. We intend to do so only in the context of an investigation or formal complaint. In such formal proceedings, the assigned ALJ will be expected to rule on the need for such cost support, based on the strength of the pleadings and the NDIEC's responses. We have no evidence in this proceeding, to do otherwise or to require any greater burdens on non-dominant IECs than are in effect now.

11.4 Clarification of Section X.E. in Appendix B

GTEM-SB requested that Section X.E. be expanded to be even more specific. That request is reasonable and Appendix B has

been revised accordingly, and we have also added language to Section X.E. to make it clear that four copies of any such contracts when executed, shall be timely filed with the Commission by Advice Letter. This practice was in effect prior to the changes to G.O. 96-A, occasioned by D.88-08-059 and D.88-09-059 as discussed earlier herein.

11.5 Clarifications and Text Corrections

The DRA and various other parties have asked that we make numerous clarifications to the text, Findings of Fact, Conclusions of Law, and ordering paragraphs. We have added the necessary clarifications and made minor non-substantive corrections as well.

11.6 Concurrence of GTEC and Pacific

GTEC and Pacific, in their respective reply comments, generally concurred in the penalties and fines procedures set forth in this order. To be certain that the procedures will work smoothly as envisioned, we will require that these LECs, operating under the NRF, concur and accept the penalties and fines procedures adopted herein, prior to implementing the provisions of this order. Findings of Fact

- 1. For many years prior to August 24, 1988, GO 96-A contained a provision (Section X.B.) which allowed all electric, gas, telephone, and water utilities to contract with government agencies, at other than regularly filed tariff rates, without Commission approval.
- 2. D.88-08-059 dated August 24, 1988 adopted a settlement agreement as part of the NRF which excluded all telecommunications utilities, except under emergency conditions from contracting with government agencies, without preapprovals of their proposed contracts by the Commission.
- 3. By April 1989, it became clear that governmental agencies such as DOD/FEA and the State of California were precluded from amending their contracting rules to create exceptions to firm bidding requirements for LECs to bid on their projects.

- 4. On March 7, 1990, Pacific filed this application (A.90-03-008) seeking to eliminate the preapproval requirement, so that it could meet the intent of the federal procurement law which requires that each bidder be bound by the conditions of the specific contract when signed.
- 5. Cellular telephone utilities and radiotelephone utilities were also responsible for seeking preapproval of their governmental/public agency contracts under D.88-08-059.
- 6. McCaw and other cellular and/or radiotelephone utilities objected to the current provisions of Section X.B. of GO 96-A, especially since they had not participated in the settlement agreement adopted in D.88-08-059.
- 7. By D.90-05-038 issued May 4, 1990, Pacific and other telecommunications utilities were granted a provisional waiver to allow them to bid (without preapproval) on two pending federal contracts which had short response periods.
- 8. On October 19, 1990, Pacific filed a petition to clarify and/or modify D.89-10-031 and D.90-04-031, and for emergency relief, to allow its Centrex contracts to be reviewed by CACD and accepted by the Commission under specific rate imputation guidelines. Pacific's petition to clarify price or rate imputation guidelines was granted by D.91-01-018.
- 9. The current preapproval requirement makes it virtually impossible for telecommunications utilities to bid effectively on governmental contracts.
- 10. The preapproval requirement can and often would introduce a delay beyond the due date of a typical government RFP.
- 11. It is reasonable and necessary to remove the Commission's preapproval requirement on all governmental telecommunications contracts and authorize a substitute penalty mechanism in lieu thereof, to preclude below-cost pricing which could yield anticompetitive results.
- 12. The penalty mechanism recommended by DRA includes a latefiling penalty as well as a penalty for below-cost pricing.

- 13. The proposed penalties would be automatically applied and would equate to twice the difference between total project cost and total project revenues over the life of the given contract.
- 14. DRA's proposed penalty may not provide sufficient safeguards to discourage anticompetitive conduct by the two largest LECs.
- 15. For near-but-below-cost pricing the penalty amounts recommended by DRA are not sufficient to preclude anticompetitive conduct by Pacific or GTEC.
- 16. It is reasonable to establish a minimum penalty level large enough to create a true and well-understood deterrent to any consideration of below-cost pricing by Pacific and GTEC.
- 17. A minimum penalty level of \$10,000, or the amount which would result under DRA's proposed mechanism for below-cost pricing, whichever is greater, is reasonable for telecommunications utilities operating under the NRF.
- 18. When a utility's cost-support showing adequately demonstrates that rates for a given contracted service are above the utility's cost, the governmental contract may be filed, without added effort by CACD.
- 19. In the event that a utility submits an executed below-cost governmental contract, CACD will expend added time and resources to prepare and present the necessary order (resolution) to impose and adopt the appropriate penalty.
- 20. It is reasonable to adopt a maximum fine of \$2,000 as provided by PU Code § 2107, for each offense of below-cost pricing by LECs operating under the NRF, to cover the Commission's costs of processing the violation.
- 21. It is reasonable to place the fine in the Commission's general fund to help defray the cost of regulating the telecommunications industry.
- 22. It is reasonable to flow-through to Pacific's and GTEC's ratepayers the amount of any undercharge penalty adopted by the Commission via the "Z" factor adjustment, since the imposition of a penalty is an exogenous event.

- 23. It is clear that telecommunications utilities under the NRF can easily avoid all proposed penalties and fines by computing their rates and charges carefully based on their costs of operation.
- 24. A reasonably automatic penalty and fine mechanism is necessary to discourage appeals by the affected utilities, unless they are prepared to show with factual cost studies that the rates and charges set forth in the given contract are clearly above their costs of furnishing the services.
- 25. The three mid-sized LECs (Citizens, Contel, and Roseville) and the seventeen smaller LECs are still under rate of return regulation, and accordingly their contracts with governmental agencies are subject to review as a part of their general rate cases, complaint proceedings, or Commission investigations.
- 26. It is reasonable to extend the requirement for above-cost pricing of IECs contract services to government agencies to all IECs regardless of size.
- 27. It is reasonable to require AT&T-C to include costsupport data with its executed governmental agency contracts filings.
- 28. Because of their nondominant status, IECs other than AT&T-C have not heretofore been required to include cost-support data with their GO 96-A contracts, or other tariff filings, and no change in treatment for these utilities has been justified.
- 29. When a governmental contract is challenged in a formal investigation or complaint, it may be reasonable and necessary to require a nondominant carrier to defend the cost basis of the contract.
- 30. It is also reasonable to establish a penalty mechanism which will deny any IECs, violating the prohibition against below-cost pricing, the right to negotiate new governmental contracts, other than at tariff rates for a specific period of time to be individually determined on a case-by-case basis, in formal proceedings.

- 31. It is reasonable to require all governmental agency contracts of telecommunications utilities to be filed within 15 days of the date of execution of such contracts.
- 32. DRA's proposed late-filing penalties are excessive for the first 90 days after a governmental contract is required to be filed.
- 33. It is reasonable to adopt a late-filing penalty of 1/4%, 1/2%, and 1% of gross full-period contract revenues for late filings of up to 30, 60, and 90 days respectively.
- 34. A maximum period of one year for CACD's review of the cost-basis of governmental contracts filed by telecommunications utilities is reasonable.
- 35. It is reasonable to assume that contracts not challenged within one year by CACD are in cost-compliance without liability for a future penalty.
- 36. All parties have agreed that telecommunications utilities' governmental contracts involving cellular radiotelephone, mobile radiotelephone, and personal signaling services, by duly authorized certificated utilities offering such services, warrant categorical exemption from any penalty or preapproval provision which may issue from this proceeding, provided they are filed within 15 days after execution.

Conclusions of Law

- 1. Section X.B. of GO 96-A should be revised to eliminate the preapproval requirement for contracts between telecommunications utilities and governmental agencies.
- 2. DRA's recommended penalty mechanism should be substituted for the present preapproval process for governmental contracts of telecommunications utilities under NRF.
- 3. DRA's recommended late-filing penalties should be imposed when a telecommunications utility files a governmental contract later than 15 days after the contracts execution.
- 4. The penalty for below-cost pricing of governmental contracts should be a minimum of \$10,000 per occurrence.

- 5. A penalty, equal to twice the difference between total project cost and total project revenues, should be applied to all instances where the penalty under that formula will exceed \$10,000.
- 6. The late-filing penalty during the first 90 days should be reduced as described earlier herein.
- 7. Any below-cost governmental contract of a telecommunications utility under the NRF would entail additional staff work on behalf of CACD to prepare a penalty order (resolution) and the cost of that added workload should in part be recovered through an additional fine to the extent permitted by PU Code § 2107.
- 8. Any fines levied pursuant to this order should be paid to the State Treasury to the credit of the general fund, to cover the overall cost of operation of the Commission. Any assessed penalties should be taken out of utility rates and then passed through by telecommunications companies operating under the Commission's New Regulatory Framework for incentive regulation (NRF) via the annual "Z" factor adjustment mechanism so that ratepayers of NRF utilities are not charged for a utility's violation of GO 96-A.
- 9. Any and all penalties for below-cost services rendered under governmental contracts, by a telecommunications utility operating under the NRF, should be passed through to ratepayers via the annual "Z" factor adjustment mechanism.
- 10. The penalty mechanism adopted in this order should be relatively automatic and a utility's appeal of a penalty must clearly demonstrate through factual cost studies that the rates and charges set forth in the given contract are above the utility's costs of furnishing the service. ("Cost" as used herein refers to the latest Commission adopted cost convention applicable when the given contract was prepared and dated for submission to the governmental agency.)
- 11. The three mid-size LECs (Citizens, Contel, and Roseville) and the seventeen smaller LECs should not be required to file cost

studies contemporaneously with their governmental contracts so long as they remain under their historical rate of return form of regulation.

- 12. IECs should continue to be required to maintain above cost pricing of their services to governmental agencies, but, except for AT&T-C, need not include cost-support data when their executed contracts are filed.
- 13. AT&T-C should be required to provide cost-support data to CACD with its executed governmental contracts when the contracts are filed.
- 14. A penalty mechanism should be adopted, which will deny any IECs violating the prohibition against below-cost pricing the right to negotiate new governmental contracts, other than at tariff rates, for a specific period of time.
- 15. Governmental contracts, should be filed within 15 days of their execution.
- 16. DRA's recommended late-filing penalty formula should be adopted for contracts filed more than 90 days late.
- 17. The penalty rates for up to 30, 60, and 90 days after the due date for filing should be 1/4%, 1/2%, and 1% respectively, and should apply to all telecommunications utilities' governmental contracts.
- 18. Utilities' governmental contracts should be considered as being in cost compliance without liability for a future penalty if not challenged within one year after the date of filing by CACD.
- 19. Telecommunications utilities' governmental contracts for cellular radiotelephone, mobile radiotelephone, and personal signalling services, provided by duly authorized certificated utilities, should be exempt from any penalty or preapproval provisions adopted in this proceeding, provided they are filed within 15 days after execution.
- 20. The Petition of GTEM-SB (U-3011-C) for Modification of D.88-08-059 filed on February 24, 1989, and the Petition of McCaw

for Modification of D.88-09-059 filed on March 22, 1989, should be granted to the extent set forth in the preceeding Conclusion of Law, and in all other respects should be denied.

21. This decision should be made effective today to allow prompt implementation of these new governmental contracting provisions of GO 96-A, and thereby allow all telecommunications utilities to respond in a more effective and timely manner to governmental agencies' RFP for telecommunications services.

ORDER

IT IS ORDERED that:

- 1. General Order (GO) 96-A is hereby modified to include the revisions to Section X.B., and two new Sections X.D. and X.E. specifically as set forth in Appendix B to this order.
- 2. Pacific Bell's (Pacific) and GTE California
 Incorporated's (GTEC) executed governmental contracts shall be
 subject to scrutiny by Commission Advisory and Compliance Division
 (CACD) for determination of above-cost rates and charges. These
 contracts if determined to be priced below cost shall be subject to
 a penalty of \$10,000 or twice the revenue difference, resulting
 from the magnitude that rates and charges are below cost for the
 total life of the contract, whichever is greater.
- 3. Pacific and GTEC are hereby placed on notice that any such penalties shall be adopted by resolution of the Commission when so requested with good cause by CACD, and formal appeals to these determinations will be entertained only if the utility can make a convincing showing that its rates and charges in the challenged contract are above the utility's cost of service.

 "Cost" as used here refers to the latest Commission adopted cost convention in effect and applicable when the contract was prepared and dated for submission to the governmental agency (see Appendix C for current cost standards).

- 4. Pacific and GTEC shall also bear a \$2,000 fine for each occurrence of a determination of a below-cost contract, to cover the added costs to the Commission to administer and process resolutions adopting the penalties. Any assessed penalties shall be taken out of utility rates and then passed through by telecommunications companies operating under the Commission's New Regulatory Framework for incentive regulation (NRF) via the annual "Z" factor adjustment mechanism.
- 5. When any other local exchange telephone company (LEC) elects to participate in the new regulatory framework incentive ratemaking procedure, it shall be subject to the safeguards, penalty mechanism, and fines set forth in Ordering Paragraphs 2 and 4 above, except and unless, otherwise requested by the particular LEC and, subsequently authorized by the Commission in its order establishing the NRF for the LEC.
- 6. All telecommunications utilities must file their governmental contracts by Advice Letter, within 15 calendar days after execution, or face penalties as follows for late-filing:

Lateness of Filing in Months	Penalty Factor to Be Applied to Total Contract Revenues
1 or fraction 2 3	1/4% 1/2% 1% 4%
5 6	5% 6%
7	7% 8%
9 10 or more	9% 10%

- 7. Pacific, GTEC, and AT&T Communications of California (AT&T-C) shall include cost-support with their governmental agency contracts when filed.
- 8. All telecommunications utilities, other than Pacific and GTEC, shall demonstrate that their governmental contracts are

priced above cost (excepting only the categorically exempted services listed in Section X.E. of GO 96-A) in any formal complaint, investigation, or other appropriate formal proceeding wherein the given contract has been challenged.

- 9. Interexchange carriers shall be subject to suspension of authority to contract at other than tariff rates, for an appropriate period of time to be determined in a formal proceeding, in lieu of other penalties after instances of proven violations of the prohibition against below-cost pricing. This penalty applies in addition to any late-filing penalties.
- 10. All telecommunications utilities governmental contracts which are not challenged by CACD within one year after the date of filing shall be deemed to be in cost compliance, without liability for future penalties.

(The term challenged as noted above includes the "challenge" of a contract entered into by a LEC, as being below cost within the one-year period of liability, and if that issue is not resolved prior to its next rate proceeding, could be at issue in that proceeding.)

This ordering paragraph applies only to CACD's review and contract challenge period, of not to exceed one year after the date of filing. It does not in any way extend or modify the standard protest period of 20 days after filing of an advice letter under Section III.H. of G.O. 96-A, during which time any party can protest the offering of any applicable telecommunications service under contract, at other than tariff rates.

11. GTEC and Pacific shall, within 30 days after the effective date of this order and/or before they execute any governmental contracts under the provisions of this order, whichever occurs earlier, file a letter with the Director of the CACD indicating their concurrence with, and acceptance of, the penalty and fines procedures contained in this order.

- 12. The petitions for modification of Decision (D.) 88-08-059 by GTE Mobilnet of Santa Barbara, Limited Partnership, filed on February 24, 1989, and D.88-09-059 by McCaw Cellular Communications, Inc. filed on March 22, 1989, are granted to the extent set forth in Appendix B, Section X.E., and are, in all other respects, hereby denied.
- 13. The Executive Director shall mail copies of this order to the parties on the updated service list to this proceeding, as specified in Appendix A hereto, and to all telephone corporations under Commission jurisdiction, a current list of which is attached as Appendix D hereto.
- 14. All remaining issues involving GO 96-A matters in Investigation 87-11-033 specifically related to modifications of D.88-08-059 and D.88-09-059 and all aspects of Application (A.) 90-03-008 having been resolved, this docket (A.90-03-008) is closed.

This order is effective today.

Dated July 2, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

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<u>List of Appearances</u>

Applicant: Janet Major, Attorney at Law, for Pacific Bell.

Protestant: Morrison & Foerster, by <u>James M. Tobin</u>, Attorney at Law, for McCaw Cellular Communications, Inc.

Interested Parties: Graham & James, by Martin A. Mattes, Attorney at Law, for CENTEX Telemanagement, Inc.; Beck, Young, French & Ackerman, by Jeffrey F. Beck and Sheila A. Brutoco, Attorneys at Law, for CP National, Citizens Utilities Company of California, Evans Telephone Company, GTE West Coast Incorporated, Kerman Telephone Company, Pinnacles Telephone Company, Sierra Telephone Company, Inc., The Siskiyou Telephone Company, and Tuolumne Telephone Company; Cooper, White & Cooper, by E. Garth Black, Alvin H. Pelavin, and Mark P. Schreiber, Attorneys at Law, for Roseville Telephone Company, Calaveras Telephone Company, California-Oregon Telephone Company, Ducor Telephone Company, Foresthill Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, The Ponderosa Telephone Company, The Volcano Telephone Company, and Winterhaven Telephone Company; Orrick, Herrington & Sutcliffe, by Robert J. Gloistein, Attorney at Law, for Contel of California, Inc.; Armour, Goodin, Schlotz & Mac Bride, by <u>James D. Squeri</u> and Barbara Snider, Attorneys at Law, for GTE Mobilnet of Santa Barbara; Dinkelspiel, Donovan & Reder, by <u>David A. Simpson</u>, Attorney at Law, for Los Angeles Cellular Telephone Company; Jackson, Tufts, Cole & Black, by Joseph J. Faber and William H. Booth, Attorneys at Law, for California Bankers Clearinghouse Association; Farrand, Cooper & Bruiniers, by Wayne B. Cooper, Attorney at Law, for Radio Relay Corporation of California; Law Offices of Earl Nicholas Selby, by Earl Nicholas Selby, Attorney at Law, for Bay Area Teleport; Kenneth K. Okel and Michael L. Allan, Attorneys at Law, for GTE California Incorporated; Randolph Deutsch, Attorney at Law, for AT&T Communications of California, Inc.; John H. Engel, Attorney at Law, for Citizens Utilities Company of California; Peter O. Nyce, Jr., Attorney at Law, for the Department of Defense/Federal Executive Agencies (DOD/FEA); Mark E. Brown, Attorney at Law, for MCI Telecommunications Corporation; Phyllis A. Whitten, Attorney at Law, for US Sprint Communications Company; Peter A. Casciato, Attorney at Law, for Cellular Resellers Associates; <u>C. Kingston Cole</u>, Attorney at Law, for Kingston Cole & Associates; <u>Carrington F. Phillip</u> and Alan J. Gardner, for California Cable Television Association; Arthur J. Smithson, for Citizens Utilities Company of California; Fred

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Glynn, for San Francisco Research Group; William Irving, for County of Los Angeles; and Morrison & Foerster, by Dhruv Khanna and Suzanne Toller, for McCaw Cellular Communications, Inc.

Commission Advisory and Compliance Division: Kevin P. Coughlan.

Department of General Services: August A. Sairanen, Jr.

Division of Ratepayer Advocates: <u>Rufus G. Thayer</u>, Attorney at Law, and <u>Timothy J. Sullivan</u>.

Office of Public Advisor: Robert T. Feraru.

(END OF APPENDIX A)

APPENDIX B Page 1

Revised Text for General Order 96-A, Section X.

- Governmental Agencies. Notwithstanding the provisions contained in Subsection A hereof, except as provided in the following subsections, a public utility of a class specified herein, except telecommunications utilities, may, if it so desires, furnish service at free or reduced rates or under conditions otherwise departing from its filed tariff schedules to the United States and to its departments and to the State of California and its political subdivisions and municipal corporations, including the departments thereof, and to public fairs and celebrations. utility shall promptly advise the Commission thereof by Advice Letter and, where a contract has been entered into, submit four copies of such contract and Advice Letter for filing. The Commission may, in an appropriate proceeding in the exercise of its jurisdiction, determine the reasonableness of such service at free or reduced rates or under conditions departing from its filed tariff schedules.
- Exceptions to Subsection B. Notwithstanding the provisions of Subsection B, telecommunications utilities may provide service to governmental agencies without prior Commission approval under conditions departing from tariffed rates consistent with Commission policies and decisions governing a utility's contracts with government agencies. Contracts for service with governmental agencies are effective and binding when signed by both parties. However, if a telecommunications utility fails to comply with the policies and decisions governing contracts with government agencies adopted by this Commission, it may be liable for penalties as determined by Commission policies and decisions. Telecommunications utilities shall promptly advise the Commission of the provisions of service to governmental agencies under conditions departing from filed tariff schedules by Advice Letter. Except for emergency service, for contracts offered to government agencies that depart from published tariffs, telecommunications utilities shall file 4 copies of the contract and 4 copies of such Advice Letter within 15 days of contract execution. The failure by a telecommunications utility to make such a contract and Advice Letter filing within 15 days of contract execution may result in a penalty determined by Commission policies and decisions. Commission shall review the contract and Advice Letter and take action as determined under Commission policies and decisions governing these contracts.
- E. Nonapplicability of Policies and Procedures. The foregoing policies and procedures are applicable to intrastate local exchange telecommunication utility carriers and interexchange carriers. The new policies and procedures in Section X.B. ("excepting telecommunications utilities,") and in the entirety of Section X.D. shall not apply to the mobile radiotelephone and cellular radiotelephone services or personal signalling services offered by

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telecommunications utilities. Telecommunications utilities may provide mobile radiotelephone, cellular radiotelephone, or personal signalling services to governmental agencies, without prior Commission approval, under conditions departing from tariffed rates and charges. Such contracts for service with governmental agencies are effective and binding when executed. Notwithstanding these nonapplicability provisions, telecommunications utilities providing the services described in this subsection, to governmental agencies under executed contracts, shall file four copies of each executed contract and four copies of an Advice Letter accompanying each such executed contract with this Commission within 15 days of contract execution.

(END OF APPENDIX B)

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CURRENT COST CONVENTIONS ("STANDARDS") USED BY CACD FOR REVIEW AND ANALYSES OF RATES AND CHARGES IN GOVERNMENTAL AGENCY CONTRACTS

<u>Utility</u>	<u>Decision</u>	Short Description
GTEC	D.89-10-031, 10/12/89 (33 CPUC 2d 43, 127-128)	For General Use - Direct Embedded Cost
	D.91-01-018, 1/15/91 (O.P. 1, p. 11, mimeo.)	For Centrex Contracts - Direct Embedded Cost or 1MB + EUCL (whichever is higher)
Pacific Bell	(Same as for GTEC above)	
All other LECs	(Same as for GTEC above)	•
AT&T-C	D.90-11-029, 11/9/90 (O.P. 1, p. 63, mimeo.) (See all O.P.s for possible limitations, p. 63-67, mimeo.)	Uses Modified TICM Model to determine LRIC (not applicable to MTS, Private Line Services, and Directory Service)
All NDIECs	No formal cost standard adopted.	

Utilities are expected to set rates and charges above their costs in establishing tariffs or contracts. Rates for MTS shall be uniform on statewide basis.

Costs are reviewed for cause only in valid formal complaint cases or Commission Investigations. Cause must be established by complainant showing significant harm. The assigned ALJ will first rule on any requirement for cost information to be supplied by defendant or respondent IEC. Any overall rates set below access or other charges, paid to an LEC by the NDIEC, will likely be deemed to be below cost, if challenged in a valid complaint.

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Specific Governmental Contract Services of All Telecommunications Utilities as Follows:

Mobile Radiotelephone

Cellular Radiotelephone)

Personal Signalling or Paging Services

No requirement for determining costs. (e.g., may even be priced below cost to any governmental agency.)

(END OF APPENDIX C)

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APPENDIX D Page 1 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

List of Other Interested Parties

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ACCESS NET OF SAN FRANCISCO (5158)
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DIGINET
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APPENDIX D Page 2 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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APPENDIX D Page 3 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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CAPITAL NETWORK SYSTEMS, INC. (5199) MICHAEL MOEHLE REGULATORY CONTACT 600 CONGRESS AVENUE SUITE 1360 AUSTIN, TX 78701 (512) 477-6566

CALL AMERICA - PALM DESERT (5062) DAVID CLEM GENERAL MANAGER 73-757 HWY. 111 PALM DESERT, CA 92260 (619) 340-2112

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APPENDIX D Page 4 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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APPENDIX D. Page 5 A.90-03-008 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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APPENDIX D. Page 6 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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A.90-03-008 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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OPTICOM (ONE CALL COMMUNICATIONS) (5226) DEBORAH BARRETT ASSISTANT VICE PRESIDENT 801 CONGRESSIGNAL BLVD. SUITE 100 _ _ CARMEL, IN 46032-9994 (313) 843-1300

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APPENDIX D Page 9 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

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PATRICK CHOW
TARIFF ADMINISTRATOR
201 SPEAR STREET, 9TH FLOOR
SAN FRANCISCO, CA 94105
(415) 978-1140

SHARED TECHNOLOGIES, INC. (5200) REGULATORY CONTACT 100 GREAT MEADOW ROAD SUITE 104 WEIHERSFIELD, CT 06109

SHARENET COMMUNICATIONS COMPANY (5222) NANCY ADLER 4633 WEST POLK STREET PHOENIX, AZ 85043 (407) 740-8575

SOUTH BAY COMMUNICATIONS, INC. (5110) WILLIAM VAN VLIET
PRESIDENT
1299 E. ARTESIA BLVD #190
CARSON, CA 90746-1603
(213) 632-4333

SPECTRUM II, INC. (5224) RONALD GRIDER PRESIDENT 8001 INDIAN SPRINGS ORANGEVALE, CA 95662 (916) 726-6323

APPENDIX D Page 10 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANCE CARRIER

SPRINT SERVICES (US TELECOM) (5231)
RICHARD PURKEY
700 AIRPORT BLDV., B201
BURLINGAME, CA 94010
(415) 375-5856

STANDARD INFORMATION SERVICES, INC. (5039)
ANDREW R HOROWITZ
PRESIDENT
1409 E WARNER #D
SANTA ANA, CA 92705
(714) 545-4772

TEL COM INTERNATIONAL (5205) REGULATORY CONTACT 162 NORTH FRANKLIN STREET CHICAGO, IL 60606

TEL TEC EXCHANGE OF SACRAMENTO (5128)
TOM B. MARKELEY
P.O. BOX 276857
SACRAMENTO, CA 95827-6857
(916) 965-5800

TEL-TOLL, INC. (5033) JOHN MALAER 156 NORTH MAIN STREET BISHOP, CA 93514 (619) 873-8076

TELAMARKETING COMM. OF BAKERSFIELD (5084)
JULIE MCFADDEN
NETWORK ADMINISTRATION MANAGER
2829 TOWNSGATE ROAD
SUITE 200
WESTLAKE VILLAGE, CA 91361
(805) 371-3500

TELAMARKETING COMM. OF SAN LUIS OBISPO (5085)
JULIE MCFADDEN
NETWORK ADMINISTRATION MANAGER
2829 TOWNSGATE ROAD
SUITE 200
WESTLAKE VILLAGE, CA 91361
(805) 371-3500

TELAMARKETING COMMUNICATIONS OF VENTURA (5087)
JULIE MCFADDEN
NETWORK ADMINISTRATION MANAGER
2829 TOWNSGATE ROAD
SUITE 200
WESTLAKE VILLAGE, CA 91361
(805) 371-3500

TELAMARKETING COMMUNICATIONS, INC. (5015)
JULIE MCFADDEN
2829 TOWNSGATE ROAD
SUITE 200
WESTLAKE VILLAGE, CA 91361
(805) 371-3500

TELCO SYSTEMS MGMT., INC. (5194)
REGULATORY CONTACT
1700 DAVIS IN*
RENO, NV 89511-7543
(702) 329-1102

TELECOM PLUS TENANT SERVICES INC. (5120)
HERBERT J. BREGER
TELECOM BLDG. 48-40 - 34TH STREET*
LONG ISLAND CITY, NY 11101
(800) 211-6095.

TELECOMMUNICATIONS INT'L. (ZCZC LA) (5164)
AARON AMID
PRESIDENT
6399 WILSHIRE BLVD., PENTHOUSE
LOS ANGELES, CA 90048
(213) 653-3000

^{*}Last known address. Reportedly changed/moved.

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CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

TELECONNECT COMPANY (5130) MICHAEL J. ENSRUD REGULATORY ANALYST 500 SECOND AVENUE, S.E. P.O. BOX 3163 CEDAR RAPIDS, IA 52401 (319) 366-6600

TELESTAR 900 CORPORATION (5127) DON MERRIAM PRESIDENT 2880 SUNRISE BOULEVARD, SUITE 124 RANCHO CORDOVA, CA 95742 (916) 638-3553

TELECONNECT LONG DISTANCE SVCS & SYSTE (5152) TELTRUST, INC. (5230) REGULATORY CONTACT 500 SECOND AVENUE, S.E. CEDAR RAPIDS, IA 52401 (319) 366-6600

REGULATORY CONTACT 2150 SOUTH 300 WEST SALT LAKE CITY, UT 84115

TELENATIONAL COMMUNICATIONS LTD PINRSHP (5179) TELUS COMM. INC. (U.S. INTEL) (5129) REGULATORY CONTACT 7300 WOOLWORTH OMAHA, NE 68124 (402) 392-1110

STEVEN G. REYNOLDS PRESIDENT 9333 TECH CENTER DRIVE, SUITE 250 SACRAMENTO, CA 95826 (916) 369-6666

TLEPORT COMMS. - LA INC. (5171) JBERT ATKINSON 1 TELEPORT DRIVE SUITE 301 STANTON ISLAND, NY 10311-1011 (718) 983-2160

THRIFTY TELEPHONE (5083) WILLIAM KETTLE, SR. 300 PLAZA ALICANTE #380 GARDEN GROVE, CA 92640 (714) 740-2880

TELEPORT COMMS. OF SF (5167) BONNEY SCOTT TELEPORT 1, ONE TELEPORT DRIVE SUITE 301 STANION ISLAND, NY 10311-1011 (718) 983-2152

TMC COMMUNICATIONS (5147) JULIE MCFADDEN NETWORK ADMINISTRATION MANAGER 2829 TOWNSGATE ROAD SUITE 200 ---WESTLAKE VILLAGE, CA 91361 (805) 371-3500

TELESPHERE LIMITED, INC. (5156) HEATHER B. GOLD DIRECTOR, REGULATORY AFFAIRS 4TH FLOOR, 6100 EXECUTIVE BLVD. ROCKVILLE, MD 20852 (301) 230-4656

TMC COMMUNICATIONS L.P. (5193) JULIE MCFADDEN 2829 TOWNSGATE ROAD SUITE 200 WESTLAKE VILLAGE, CA 91361 (805) 371-3500

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TMC OF FRESNO (5121) JULIE MCFADDEN NETWORK ADMINISTRATION MANAGER 2829 TOWNSGATE ROAD SUITE 200 WESTLAKE VILLAGE, CA 91361 (805) 371-3500

UNI COMMUNICATIONS INC. (5219) CHARLES JOHNSON PRESIDENT 580 GRAND AVENUE OAKLAND, CA 94610

TMC OF SAN DIEGO (TMC LONG DISTANCE) (5088) UNITED COMMUNICATIONS, INC. (5122) WENDY PRESTON TARIFF ADMINISTRATOR UNION BANK BLDG., SUITE 435 525 B STREET SAN DIEGO, CA 92101 (619) 237-5050

CRAIG NELSON P.O. BOX 846 1834 MCPHERSON NORTH BEND, OR 97459 (503) 756-4103

TMC OF STOCKTON (TMC OF STOCKTON LTD.) (5125) UNITED STATES TRANSMISSION SYSTEMS INC (5041) JULIE MCFADDEN NETWORK ADMINISTRATION MANAGER 2829 TOWNSGATE ROAD SUITE 200 WESTLAKE VILLAGE, CA 91361 (805) 371-3500

DONALD P. CASEY 100 PLAZA DRIVE SECAUCUS, NJ 07096 (201) 330-5741

TOLL COMMUNICATIONS, INC. (5035) MR. L. CRAIG CHESBRO 307 S. MAIN ST.* UKIAH, CA 95482 (707) 463-2158

US FIBERCOM NETWORK (5181) ROBERT R. VANCE JR. PRESIDENT TRUMP TOWER 725 - 5TH AVE NEW YORK, NY 10022 (212) 758-8200

U. S. AMERI-CALL INC. (5017) GARY DEBUISER VICE PRESIDENT 1489 1000 OAKS BLVD.* SUITE 1 1000 OAKS, CA 91362 (805) 496-3631

US FIBERLINE COMMUNICATIONS INC. (5188) HOLLY THOMPSON ADMINISTRATIVE ASSISTANT 6745 CONVOY COURT SAN DIEGO, CA-92111

U.S. SPRINT (5112) RICHARD PURKEY 1850 GATEWAY DRIVE 71H FLOOR SAN MATEO, CA 94404-2467 (415) 513-2737

US OPERATORS INC. (5174) DIANE M. BALDWIN, ESQ. 108 SOUTH AKARD **SUITE 2400** DALLAS, TX 75202 (214) 761-1820

APPENDIX D. Page 13 APPENDIX D Page 13 CALIFORNIA PUBLIC UTILITIES COMMISSION INTEREXCHANGE CARRIER

VALUE ADDED COMMUNICATIONS, INC. (5220) REGULATORY CONTACT 1901 S. MEYERS ROAD, SUITE 530 OAKBROOK, IL 60181

WESTERN EXPRESS COMMUNICATIONS (5101) REGULATORY CONTACT 1489 THOUSAND OAKS BLVD.* SUITE E THOUSAND OAKS, CA 91362

VORTEL COMMUNICATIONS (5134) JOHN LERCH 50 SANTA ROSA AVE., SUITE 300 SANTA ROSA, CA 95404 (707) 527-7325

WESTERN UNION CORPORATION (5019) RICHARD JORDANGER DIRECTOR-REGULATORY AFFAIRS ONE LAKE STREET UPPER SADDLE RIVER, NJ 07458 (201) 818-5302

WEST COAST TELECOMMUNICATIONS INC. (5195) REGULATORY CONTACT 114 E. HALEY ST., SUITE N SANTA BARBARA, CA 93101

WILTEL OF CA. (WILCAL) (5124) BOBBI FERGUSON ONE WILLIAMS CENTER P. O. BOX 21348 MD 27-2 TULSA, OK 74121 (918) 588-5334

STCOM LONG DISTANCE INC. (5163) _CHAEL SUNDE PRESIDENT P.O. BOX 975 ZEPHYR COVE, NV 89448 (702) 588-5224

WORKING ASSETS FUNDING SERVICE (5233) REGULATORY CONTACT 230 CALIFORNIA STREET SAN FRANCISCO, CA 94111

WESTEL COMMUNICATIONS (5052) JERRY IRION 1367 RANSOM ROAD* RIVERSIDE, CA 92506 (714) 683-0863

WIG WEST INC. (5192) BOBBI FERGUSON REGULATORY ANALYST ONE WILLIAMS CENTER . P. O. BOX 21348 MD 27-2 TULSA, OK 74121 (918) 588-5334

JERRY CHYO . ACCOUNTANT 411 PACIFIC, SUITE 200 MONIEREY, CA 93940 (408) 649-2300

WESTEL COMMUNICATIONS, INC. (MONIEREY) (5077) ZERO PLUS DIALING INC./US LONG DISTANCE (5186) REGULATORY CONTACT 9311 SAN PEDRO AVENUE #300 SAN ANTONIO, TX 78216-4470 (512) 525-9009

APPENDIX D. Page 14 CALIFORNIA PUBLIC UTILITIES COMMISSION LOCAL EXCHANGE CARRIER

BEAVER STATE TELEPHONE COMPANY (1022) DUCOR TELEPHONE COMPANY (1007) ROBERT BROWN MANAGER, TARIFFS 805 BROADWAY P.O. BOX 9901 VANCOUVER, WA 98668-8701 (206) 696-6994

CALAVERAS TELEPHONE COMPANY (1004) HOWARD J. TOWER PRESIDENT P.O. BOX 37 COPPEROPOLIS, CA 95228 (209) 785-2211

CALIFORNIA OREGON TELEPHONE CO. (1006) ROBERT H. EDGAR PRESIDENT P.O. BOX 847 DORRIS, CA 96023-0847 (916) 397-2211

CITIZENS UTILITIES COMPANY OF CALIF. (87) ARTHUR J. SMITHSON ASST. V.P.& GENERAL MANAGER P.O. BOX 496020 REDDING, CA 96049-6020 (916) 547-5311

CONTEL SERVICE CORPORATION (1003) THOMAS J. BURKE REVENUE MANAGER P.O. BOX 12000 BAKERSFIELD, CA 93389 (805) 833-2200

CP NATIONAL CORPORATION (11) KIM MAHONEY DIRECTOR, REVENUE REQUIREMENTS 2121 NO. CALIFORNIA ELVD. SUITE 400 P.O. BOX 8192 WALNUT CREEK, CA 94596-8192 (415) 295-9715

PAUL J. SCHWARTZ VICE PRESIDENT 23499 AVENUE 56 P.O. BOX 700 DUCOR, CA 93218 (209) 534-2211

EVANS TELEPHONE COMPANY (1008) DELWYN C. WILLIAMS PRESIDENT 4918 TAYLOR COURT TURLOCK, CA 95380 (209) 394-4000

FORESTHILL TELEPHONE COMPANY, INC. (1009) RALPH HOEPER PRESIDENT P.O. BOX 1189 FORESTHILL, CA 95631 (916) 367-2222

GIE CALIFORNIA INCORPORATED (1002) KEITH KRAMER VICE PRES.-REGULATORY & GOV. AFFAIRS ONE GTE PLACE (RC 3412) THOUSAND OAKS, CA 91362-3811 (805) 372-7130

GIE WEST COAST INC. (1020) FRED E. LOGAN DIRECTOR - REGULATORY AFFAIRS P.O. BOX 1003 1800 (1-RA) EVEREIT, WA 98206 (206) 261-5299

HAPPY VALLEY TELEPHONE CO. (1010) HARALD KLUIS PRESIDENT 1255 SACRAMENTO STREET REDDING, CA 96001 (916) 246-4305

^{*}Last known address. Reportedly changed/moved.

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CALIFORNIA PUBLIC UTILITIES COMMISSION LOCAL EXCHANGE CARRIER

HORNITOS TELEPHONE COMPANY (1011)
HARALD KLUIS
PRESIDENT
1255 SACRAMENTO STREET
REDDING, CA 96001
(916) 246-4305

KERMAN TELEPHONE COMPANY (1012) DAN DOUGLAS 783 SOUTH MADERA AVENUE KERMAN, CA 93630 (209) 846-9318

PACIFIC BELL (1001)
M. J. MILLER
EXECUTIVE DIRECTOR STATE REGULATORY
140 NEW MONIGOMERY
SAN FRANCISCO, CA 94105
(415) 542-1266

'INNACLES TELEPHONE COMPANY (1013)
REX BRYAN
PRESIDENT
340 LIVE OAK ROAD
PAICINES, CA 95043
(408) 389-4500

ROSEVILLE TELEPHONE COMPANY (1015)
ROBERT L. DOYLE
PRESIDENT-GENERAL MANAGER
P.O. BOX 969
ROSEVILLE, CA 95661
(916) 786-6141

SIERRA TELEPHONE COMPANY, INC. (1016) EARL BISHOP CONTROLLER P.O. BOX 219 OAKHURST, CA 93644 (209) 683-4611 THE PONDEROSA TELEPHONE COMPANY (1014)
E. L. SILKWOOD
PRESIDENT
P.O. BOX 21
O'NEALS, CA 93645
(209) 868-3312

THE SISKIYOU TELEPHONE COMPANY (1017)
JIM LOWERS
VICE PRESIDENT
P.O. BOX 705
FORT JONES, CA 96032-0705
(916) 468-2222

THE VOLCANO TELEPHONE COMPANY (1019)
J.C. GRAVES
GENERAL MANAGER
P.O. BOX 1070
PINE GROVE, CA 95665
(209) 296-7502

TUCLIMME TELEPHONE COMPANY (1018)
KIM MAHONEY
RATES & TARIFF MANAGER
2121 NO. CALIFORNIA BLVD. SUITE 400
P.O. BOX 8192
WALNUT CREEK, CA 94596-8192
(415) 295-9715

WINTERHAVEN TELEPHONE COMPANY (1021)
HARALD KLUIS
PRESIDENT
1255 SACRAMENTO STREET
REDDING, CA 96001
(916) 246-4305

CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

AALERT PAGING COMPANY OF SACRAMENTO (2084) DANIEL J. AHEARN GENERAL MANAGER P.O. BOX 809 REDDING, CA 96099-0809 (916) 547-5311

ALERT COMMS. (BLASIAR (2107) KENT M. BLASIAR EXECUTIVE VICE PRESIDENT 5515 YORK BLVD. LOS ANGELES, CA 90042 (213) 254-7171

AALERT PAGING COMPANY OF SAN DIEGO (2086) DANIEL J. AHEARN GENERAL MANAGER P.O. BOX 809 REDDING, CA 96099-0809 (916) 547-5311

ALLCITY PAGING, INC. (2090) NORMAN MINKOW 18321 VENTURA BOULEVARD, SUITE 320 TARZANA, CA 91356 (818) 705-1936

AALERT PAGING COMPANY OF SAN FRANCISCO (2085) AMERICAN PAGING, INC. (CALIFORNIA) (2001) DANIEL J. AHEARN GENERAL MANAGER P.O. BOX 809 REDDING, CA 96099-0809 (916) 547-5311

DEAN LE DOUR CORPORATE DEVELOPMENT MANAGER 1300 GODWARD ST. N.E. SUTTE3100 MINNEAPOLIS, MN 55413 (612) 623-3100

ADVANCED PAGING & COMMUNICATIONS INC. (2071) D. JOHN DARE 150 WIGET LANE, SUITE 114* WALNUT CREEK, CA 94598 (415) 946-1834

ASSOCIATED COMMUNICATIONS OF AMERICA (2077) BOB FOLEY DIRECTOR OF ENGINEERING 200 GATEWAY TOWERS PITTSBURGH, PA 15222 (813) 530-5477

AIR CALL OF CALIFORNIA (2080) R. POMEROY V.P. 1224 VILLAGE WAY SANTA ANA, CA 92705 (714) 664-1600

ATLAS RADIOPHONE (2002) KNOX LA RUE 2171 RALPH AVE. STOCKTON, CA 95206 (209) 462-6059

AIRSIGNAL OF CA. INC. (2028) JANE VENABLE MANAGER OF REGULATORY AFFAIRS 6810 S. TUCSON WAY ENGLEWOOD, CO 80112 (303) 649-2099

AUTO-PHONE COMPANY (2003) JAMES E. WALLEY OWNER/MANAGER 1538 18TH ST. OROVILLE, CA 95965 (916) 533-1610

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APPENDIX D Page 17 CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

CAL-AUTOFONE (2004)
JUNE E. SMITH
PRESIDENT
1615 HIGHLAND AVE.
EUREKA, CA 95501
(707) 443-0806

CALIFORNIA TEL. COMMS. CORP. (2108)
FARHAD NOZAR
17060 VENTURA BLVD.
ENCINO, CA 91316
(818) 990-9600

CHALFONT COMMUNICATIONS (2007) LEVON M. GOPADZE GENERAL MANAGER 73-680 HIGHWAY 111 PALM DESERT, CA 92260 (619) 346-3987

**EARLAKE COMMUNICATIONS (2008)
**A. COLCLOWSH
P.O. BOX 1511
SANTA ROSA, CA 95402
(707) 544-5885

COAST MOBILPHONE SERVICE (2009) MR. SYLVAN B. MALIS 220 W CANNON PERDIDO SANIA BARBARA, CA 93101 (805) 962-9155

COMMUNICATION ENTERPRISES INC. (2088) THOMAS R. POOR 2315 Q STREET BAKERSFIELD, CA 93301 (805) 327-9571 COMMUNICATION TRANSMITTING SVCS. (2100)
ROY HULL
GENERAL PARTNER
811 SO. EUCLID
ANAHEIM, CA 92802-1520
(714) 635-3844

COMVEN, INC. (2010) DAVID MADGE GENERAL MANAGER 1010 KRAEMER PLACE ANAHEIM, CA 92806 (714) 632-1212

COOK TELECOM INC. OF FRESNO (2099) TOM COOK PRESIDENT 912 IRWIN ST.* SAN RAFAEL, CA 94901 (415) 485-0553

COOK TELECOM INC. OF SAN FRANCISCO (2096) REGULATORY CONTACT 912 IRWIN ST. SAN RAFAEL, CA 94901

COOK TELECOM, INC. (2065) TOM COOK PRESIDENT 912 IRWIN ST.* SAN RAFAEL, CA 94901 (415) 485-0553

COUNTY VOICE (2104)
RUSS HARRIS
PRESIDENT
711 W. 17TH STREET, UNIT A8
COSTA MESA, CA 92627
(714) 722-9827

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CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

CRICO TELECOMMUNICATIONS OF SAN JOSE (2031)
KATHRYN MCLANE
GENERAL MANAGER
1530 OLD OAKLAND ROAD, SUITE 100
SAN JOSE, CA 95112
(408) 437-9696

DIGITAL MOBILE COMMS. INC. - SACRAMENTO (2016)
BOB FORMAN
REGIONAL V.P.
1561 RESPONSE ROAD
SACRAMENTO, CA 95815
(916) 641-0332

DANA POINT MARINE TELEPHONE CO. (2011) C. W. PARISH 1505 W. BALBOA HLVD. NEWPORT BEACH, CA 92663 (714) 675-0396

FEATHER COMMUNICATIONS (2017) ALVIN RICE OWNER P.O. 797 QUINCY, CA 95971 (916) 283-4430

DELITA VALLEY RADIOTELEPHONE CO. INC. (2013)
KNOX LARUE
2171 RALPH AVE.
STOCKTON, CA 95206
(209) 948-5786

FRESNO MOBILE RADIO INC. (2101)
ROBERT COCK
PRESIDENT
160 NORTH BROADWAY
FRESNO, CA 93701
(209) 288-8818

DESERT MOBILFONE (2014)
THOMAS R. POOR
PRESIDENT
2315 Q ST.
BAKERSFIELD, CA 93301
(805) 327-9571

FRESNO MOBILE RADIO, INC. (2018)
ROBERT D. COOK
PRESIDENT
160 NORTH BROADWAY
FRESNO, CA 93701
(209) 233-8818

DIAL PAGE, INC. (2015)
JAMES EVANS
PRESIDENT
923 LAGUNA
SUITE C
SANTA BARBARA, CA 93101
(805) 966-4151

HENDRIX RADIO COMMUNICATIONS-CAL-COM (2005) WILLIAM D. CROCKETT MANAGER 496 WEST EUCLID ROAD EL CENTRO, CA - 92242 (619) 352-5741

DIGITAL MOBILE COMMS, INC.-CA (2049)
DAN PAULSON
GENERAL MANAGER
1983 WEST 190TH STREET
TORRANCE, CA 90504
(213) 715-1213

HIGH SIERRA BUS RADIO (2020) HAROLD W. LEWIS /2986 COLOMA ST. PLACERVILLE, CA 95667 (916) 622-2824

^{*}Last known address. Reportedly changed/moved.

APPENDIX D Page 19 CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

LEE M. GOPADZE

VP/WESTERN REGION
1125 NORTH MAGNOLIA AVE.
ANAHEIM, CA 92801
(714) 220-2337

OXNARD MOBILE PHONE (2102) FRED W. DANIEL 10783 BELL COURT RANCHO CUCAMONGA, CA 91730

MOBILECOMM OF CALIFORNIA, INC. (2032)
DUDLEY G NORMAN
REGIONAL VICE PRESIDENT
1800 EAST COUNTYLINE ROAD
SUITE 300
RIDGELAND, MS 39157
(818) 845-7691

PACIFIC TELEPAGE, INC (2070)
WALTER V. CISCO
PRESIDENT
310 NORTH RUSSELL AVE.
P.O. BOX 1608
SANTA MARIA, CA 93456
(805) 928-5144

MOBILEPHONE CORP. (2037) BEN L. HOOVER 317 WEST 7TH ST. EUREKA, CA 95501 (707) 445-9661 PACTEL PAGING OF CALIFORNIA (2111)
MARK STACHIW
PACTEL CORPORATION
130 KEARNY STREET, SUITE 2759
SAN FRANCISCO, CA 94108
(415) 394-3804

RI WATKINS
PRESIDENT & GENERAL MANAGER
612 S. MT. SHASTA BLVD.
MT. SHASTA, CA 96067
(916) 926-3422

PAGE AMERICA COMMUNICATIONS OF CA, INC (2043) STEVEN SINN PRESIDENT 125 STATE ST. HACKENSACK, NJ 07601 (201) 342-6676

NORTH STATE COMMUNICATIONS, INC. (2040)
RAYMOND G. DIBBLE
PRESIDENT
3060 BECHELLI LANE
REDDING, CA 96002
(916) 223-6173

PAGE-U, INC. (2094) MR. WE. E. KOCH 420 NORTH CALIFORNIA STREET STOCKTON, CA 95202 (209) 943-1900

ORION TELECOM (2098)
FRED W. DANIEL
10783 BELL COURT
RANCHO CUCAMONGA, CA 91730

PAGEMART, INC. (2124)
REGULATORY CONTACT
ONE PRESTON CENTRE
8222 DOUGLAS AVE., SUITE 800
DALLAS, TX 75225

APPENDIX D . Page 20 CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

PAGEPROMT USA (2116) REGULATORY CONTACT 5921 LEMONA AVE. VAN NUYS, CA 91411 (818) 782-4160

PAGING NETWORK OF LOS ANGELES (2083) JOHN N. SANDLIN VICE PRESIDENT-PLANNING 11150 SANTA MONICA BLVD. SUITE 500 LOS ANGELES, CA 90025

PAGING NETWORK OF SAN FRANCISCO, INC. (2044) RADIO ELECTRONIC PRODUCTS CORP. (2048) MIKE DONNELL V.P. & GENERAL MANAGER 1121 INDUSTRIAL RD. SAN CARLOS, CA 94070 (415) 591-7900

· PAGING SPECIALIST (2121) REGULATORY CONTACT 1745 WEST KATELLA AVENUE SUITE C ORANGE, CA 92667

PAGING SYSTEMS, INC. (2097) S. COOPER P.O. BOX 4249 BURLINGAME, CA 94011-4249 (415) 697-1000

R. C. S., INC. (2045) DONALD J. STRESEMAN OFFICE SUPERVISOR 819 W. CHURCH STREET SANTA MARIA, CA 93454 (805) 928-8313

RADIO CALL CORPORATION (2046) EUGENE J. HARDEN GENERAL MANAGER 1010 TORRANCE BLVD. REDONDO BEACH, CA 90277 (213) 540-5445

RADIO DISPATCH CORPORATION (2047) EDWARD KONJOYAN PRESIDENT 116 E. THIRD STREET POMONA, CA 91766-1807 (714) 620-1993

CARL E. RICHNO PRESIDENT 310 LAKE BLVD. REDDING, CA 96003 (916) 241-5624

RIGGS COMMUNICATION, INC. (2050) CURTIS A. RIGGS PRESIDENT 510 W. 19TH ST. MERCED, CA 95340 (209) 383-2800

ROCKY TOP ENTERPRISES, INC. (2051) H. J. KOOYERS PRESIDENT 70 WEST STOCKTON RD. SUITE C SONORA, CA 95370 (209) 533-1373

SALINAS VALLEY RADIO TELEPHONE CO. (2052) ROBERT SALINOVICH BRANCH MANAGER P.O. BOX 1846 SALINAS, CA 93902 (408) 424-2903

^{*}Last known address. Reportedly changed/moved.

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CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

SAN DIEGO PAGING, INC. (2074) LEONARD DI SAVINO PRESIDENT 400 KELBY ST, 15TH FLOOR FT. LEE, NJ 07024 (201) 947-5300

SIERRA COMMUNICATIONS (2112) ROBERT FRANCK 6205-B ENTERPRISE DRIVE DIAMOND SPRINGS, CA 95619 (916) 626-7026

SANTA CRUZ TEL. ANSWERING & RADIO SERV (2053) SIERRA SATELLITE COMMUNICATIONS, INC. (2082) MITCHELL CARRON DISTRICT GENERAL MANAGER 2181 WEST WINTON AVE. HAYWARD, CA 94545 (415) 889-2300

JAMES A. HIRSHFIELD PRESIDENT 3633 136TH PLACE S.E., SUITE 107 BELLEVUE, WA 98006 (206) 747-4600

SATELLITE PAGING, INC. (2095) REGULATORY CONTACT 4936 W ROSECRANS AVE HAWIHORNE, CA 90250-6616

SILVERADO COMMUNICATIONS (2055) WILLIAM H. COLCLOUGH P.O. BOX 1511 SANTA ROSA, CA 95402 (707) 544-5885

QUOIA COMMUNICATIONS (2054) ILIAM H. COLCLOUGH P.O. BOX 1511 SANTA ROSA, CA 95402 (707) 544-5885

SISKIYOU TWO-WAY (2056) DONALD G. POLLARD P.O. BOX 629 YREKA, CA 96097 (916) 842-4863

SHASTA CASCADE SERVICES, INC. (2118) REGULATORY CONTACT 422-A CHESTNUT ST. MOUNT SHASTA, CA 96067

SONOMA COMMUNICATIONS, INC. (2057) WILLIAM COLCLOUGH PRESIDENT P.O. BOX 1511 -SANTA ROSA, CA. 95402 (707) 544-5885

SHELCOMM (2113) MICHAEL D. SCHELIN 14160 LIVE OAK AVE. UNIT C BALDWIN PARK, CA 91706 (818) 814-2354

SOUTHLAND HOLDINGS, INC. (2089) BAYAA ZIAD 1224 VILLAGE WAY SANTA ANA, CA 92705 (714) 664-1600

APPENDIX D Page 22 CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

SPECTRATEL, INC. (2081) SHARON HILLIARD VICE PRESIDENT 2550 5TH AVE. SAN DIEGO, CA 92103 (619) 231-8327

STANDARD COMMUNICATIONS (2075)
DONALD THOMAS
CEO
108 W. VICTORIA ST.
GARDENA, CA 90248
(213) 532-5300

STARPAGE (2025) JAMES N. HOFF 5640 S. BROADWAY EUREKA, CA 95501 (707) 433-1621

STOCKTON MOBILPHONE, INC. (2058)
'KNOX LA RUE
PRESIDENT
2171 RALPH AVE.
STOCKTON, CA 95206
(209) 948-5786

TADLOCK'S COMMUNICATIONS, INC. (2059)
LOWELL HARRIS
GENERAL MANAGER
26 MAIN STREET
WOODLAND, CA 95695
(916) 662-1114

TELEPAGE COMMUNICATIONS INC. (2092)
MICHAEL B. DAWSON
PRESIDENT
P.O. BOX 660065
SACRAMENIO, CA 95866-0065
(916) 923-2255

TEMPO PERSONAL COMMUNICATIONS (2105) REGULATORY CONTACT 3100 OAK ROAD SUITE 330 WALNUT CREEK, CA 94596 (415) 946-1834

U S WEST PAGING, INC. (2115) REGULATORY CONTACT 3460 161ST AVENUE S.E. BELLEVUE, WA 98008 (206) 644-2583

UNITED RADIOPHONE (2061)
TOM COOK
914 IRWIN ST.*
SAN RAFAEL, CA 94901
(415) 485-0553

VALLEY MOBILE COMMUNICATIONS, INC. (2062) BRUCE W. GARY SECRETARY TREASURER 44830 NORTH ELM AVE. LANCASTER, CA 93534 (805) 945-4411

VALLEY PAGING INC. (2091) REGULATORY CONTACT 1639 EAST SHIELDS FRESNO, CA 93704

VALLEY VOICE PAGING (2063) JEANETTE LIPTON 14332 VICTORY BLVD. VAN NUYS, CA 91401 (818) 988-5287

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CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

VINCENT COMMS. (2110) JOHN VINCENT 5773 E. SHIELDS FRESNO, CA 93727 (209) 292-7010

WESTEL HOLDINGS, INC. (2069) JOHN P. RYAN 961 COMMONS DRIVE SACRAMENTO, CA 95825-6649 (916) 366-7243

WESTSIDE COMMUNICATIONS OF TAMPA (2072)
H. SCOTT WEIMORE
PRESIDENT
3715 SPRUCE ST.
TAMPA, FL 33679
(813) 872-8411

APPENDIX D Page 24 CALIFORNIA PUBLIC UTILITIES COMMISSION CELLULAR RESELLER

ABS TELEPHONE COMPANY INC. (4082)
REGULATORY CONTACT
6353 VENTURA BLVD., #22
VENTURA, CA 93003
(805) 642-2880

ATH COM, INC. (4026)
DENNIS HOUSTON
9582 HAMILITON AVENUE, NO. 221*
HUNTINGTON BEACH, CA 92646-8008
(714) 432-7061

ACTION CELLULAR RENT-A-PHONE (4077)
LEE J. DORFMAN
PARINER
1996 UNION STREET
SUITE 200
SAN FRANCISCO, CA 94123
(415) 346-8846

BAKERSFIELD CELLULAR (4056) JIM WALZ 4180 TRUXTUN AVENUE BAKERSFIELD, CA 93309 (805) 327-8700

AMERICAN ALL-CARR COMMUNICATIONS CO. (4021)
WILLIAM B. VERNON
VICE PRESIDENT & GENERAL MANAGER
P. O. BOX 7089
WESTLAKE VILLAGE, CA 91359-7089
(805) 373-9913

BUSINESS CELLULAR SERVICES, INC. (4104) REGULATORY CONTACT 43466 JEROME AVENUE FREMONT, CA 94539

AMERICAN MOBILE COMMUNICATIONS, INC. (4002)
JOSEPH MORENA
600 MEADOWLANDS PKY
SECAUCUS, NJ 07094-1633
(213) 578-5969

CAGAL CELLULAR COMMUNICATION CORP. (4047)
LAWRENCE ROSENTHAL
VICE PRESIDENT
1300 CLAY ST., SUITE 600
CAKLAND, CA 94612
(415) 464-8079

AMERICOM L.A. SYSTEMS (4036) STEVEN C. WHITEHEAD GENERAL MANAGER 4027 W. LOVERS LANE DALLAS, TX 75209 (214) 352-8147

CALIF. CEILULAR COMMUNICATIONS CORP (4034) VIDA KNAPP 18220 S. BROADWAY GARDENA, CA 90248 (213) 324-9777

AMNEX (CALIFORNIA) (4052) REGULATORY AFFAIRS 5295 TOWN CENTER ROAD BOCA RATON, FL 33486 (407) 394-9780

CALIFORNIA CELLULAR SERVICES (4102) REGULATORY CONTACT 327 S BAYWOOD AVENUE SAN JOSE, CA 95128

APPENDIX D Page 25 CALIFORNIA PUBLIC UTILITIES COMMISSION CELLULAR RESELLER

_ALL AMERICA, INC. (4003) STEVE ABRAHAM 1 PARK PLAZA, SUITE 740 IRVINE, CA 92714

CFLCAL (4085)
REGULATORY CONTACT
14110 N. DALLAS PARKWAY
SUITE 300
DALLAS, TX 75240

CELLISYS, INC. (4045)
GARY LEE BATTACLIA
5250 AERO DRIVE
SANTA ROSA, CA 95403-8069
(707) 575-9977

TELLITECH (RECELL) (4018)

NK LUCAS

∠0555 I 45 NORTH

SPRING, TX 77388-5601

(713) 586-0110

CELLULAND, INC. (4039)
JACKIE R. MANN
VICE PRESIDENT & GENERAL COUNSEL
10717 SORRENTO VALLEY ROAD
SUITE 107
SAN DIEGO, CA 92121
(619) 455-1600

CELLULAR COMMUNICATIONS CORP. (4031) JOHN THOMPSON 18261 WEST MCDERMOTT IRVING, CA 92714 (714) 660-8760 CEILULAR DATA (4010) RICHARD D. RIDLEY 25022 SUNSET PL EAST LAGUNA HILLS, CA 92653 (714) 855-9919

CELLULAR DYNAMICS TELEPHONE CO. OF LA (4046) DIANA F. CLARK VICE PRESIDENT & GENERAL MANAGER 945 W. HYDE PARK INGLEWOOD, CA 90302 (213) 412-1111

CELLULAR DYNAMICS TELEPHONE CO. OF SF (4076) SANDRA NORION VICE PRESIDENT & GENERAL MANAGER 800 Q GATEWAY BOULEVARD SO. SAN FRANCISCO, CA 94080 (415) 952-4000

CELLULAR DYNAMICS TELEPHONE CO. SDGO (4080) REGULATORY CONTACT 945 WEST HYDE PARK BLVD. INGLEWOOD, CA 90302 (213) 412-1111

CELLULAR FOR LESS (4079) DALE BUEHLER 5267 WEST OLYMPIC BLVD. LOS ANGELES, CA 90036 (213) 934-0888

CELLULAR SERVICE, INC. (4004) DAVID S. NELSON VICE PRESIDENT 6100 SAN FERNANDO ROAD GLENDALE, CA 91201 (213) 245-0444

APPENDIX D. Page 26 CALIFORNIA PUBLIC UTILITIES COMMISSION CEILULAR RESELLER

CELLULAR SYSTEMS INT'L INC. (4067)
EARRY GOODWIN
2227 CAPRICORN WAY
SUITE 109
SANTA ROSA, CA 95407
(707) 576-7292

CELLULAR U.S.A. (4086)
REGULATORY CONTACT
GREAT WESTERN BANK BLDG.
7600 DUBLIN BLVD., SUITE 305
DUBLIN, CA 94568
829-0660

CITY CELLULAR CORP. (4053) ROBERT ARSLANIAN 10929 SANTA MONICA BLVD. LOS ANGELES, CA 90025 (213) 477-7070

. COAST CELLULAR CORPORATION (4091)
REGULATORY CONTACT
6035 WEST WASHINGTON BLVD.
CULVER CITY, CA 90230

COMTECH MOBILE TELEPHONE COMPANY (4024) SUSAN BURCHILL 3928 POINT EDEN WAY HAYWARD, CA 94545 (415) 732-1100

CONNECTOR (4069)
PHILIPPE & THEO HARTLEY
724 SO. VICTORY
UNIT 202
BURBANK, CA 91502
(213) 469-6490

CONTINENTAL CELLULAR (4066) LARRY WILLIAMS PRESIDENT 328 SOUTH BEVERLY DRIVE BEVERLY HILLS, CA 90212 (213) 277-1971

DELTA TELECOM MOBILE SERVICE, INC. (4092) REGULATORY CONTACT 8050 E. FLORENCE AVE., SUITE 7 DOWNEY, CA 90240 (213) 927-7447

DIGITAL CELLULAR INC. (4087)
DAVID DAMVANDI
VICE PRESIDENT
2316 COINER
LOS ANGELES, CA 90064
(213) 444-0555

DIGITAL COMMUNICATIONS NETWORK, INC. (4043)
MARGRIT A. DORGELO
GENERAL MANAGER
2587 TELLER ROAD
NEWBURY PARK, CA 91320
(805) 499-8662

DIRECT PAGE COMMUNICATION (4090)
REGULATORY CONTACT
1600 DOVE ST., SUITE 430*
NEWPORT BEACH, CA 92660

DORSA COMMUNICATIONS, INC. (4097)
PETER CASCIATO
871 E HAMILTON AVE.
SUITE C
CAMPRELL, CA 95008
(415) 291-8661

APPENDIX D Page 27 CALIFORNIA PUBLIC UTILITIES COMMISSION CELLULAR RESELLER

WNER COMMUNICATIONS, INC. (4065) REGULATORY CONTACT 695 ATLANTIC AVE. BOSTON, MA 02110

2288 WESTWOOD BLVD. SUITE 214 (617) 482-6200 LOS ANGELES, CA 90064 (213) 475–1061

FRESNO CELLULAR TELEPHONE COMPANY (4040) DAVID B. NEEDHAM GENERAL MANAGER 5260 NORTH PALM AVENUE, SUITE 120 FRESNO, CA 93704-2209 (209) 438-8888

KOHYO TELECOMMUNICATIONS (4070) SHOZO TANABE PRESIDENT 456 EAST THIRD STREET LOS ANGELES, CA 90013 (213) 621-0216

KARFONE LEASING, INC. (4096)

GORDON MARKS

GENERAL MOBILE CELLULAR (4075) MICHAEL BAUER VICE PRESIDENT 516 MONTEREY PASS ROAD MONTEREY PARK, CA 91754

L.A. PACIFIC TELECOM (4064) VINO VASANI PRESIDENT 2808 EAST IMPERIAL HWY. BREA, CA 92621 (714) 996-5757

GOLDEN WEST CELLULAR TELECOM (4095) EGULATORY CONTACT 245 W. SIXTH STREET #12 CORONA, CA 91720

LOS ANGELES CELLULAR TELEPHONE COMPANY (4007) ROBERT KERSTEIN 6045 SLAUSON AVENUE COMMERCE, CA 90040 (213) 721-3939

GTE MOBILNET OF CALIFORNIA (4028) KEN FATTLAR MANAGER REGULATORY & FINANCE 3857 BREAKWATER AVE. HAYWARD, CA 94545 (415) 783-9200

LUCID CELLULAR COMMUNICATIONS, INC. (4084) REGULATORY CONTACT 1334 WEST 11TH PLACE* LOS ANGELES, CA 90015 (213) 749-1011

GIEL (4035) NETTIE FABIAN 2801 TOWNSGATE, SUITE 300 THOUSAND OAKS, CA 91361 (805) 373-6361

MALL TELECOMMUNICATIONS (4008) DONN MALL PRESIDENT 2579 MERCED STREET SAN LEANDRO, CA 94577-4207 (415) 351-5010

CALIFORNIA PUBLIC UTILITIES COMMISSION CELLULAR RESELLER

MATRIX CELLULAR RESOURCES (4074) STEVEN COGSWELL GENERAL MANAGER 3628 FOOTHILL BLVD. LA CRESCENTA, CA 91214 (818) 249-4100

NATIONWIDE CELLULAR SVC. INC. (4049) JEROME SANDERS VICE PRESIDENT 20 EAST SUNRISE HIGHWAY VALLEY STREAM, NY 11582 (516) 568-2000

MISSION TELECOMMUNICATIONS CORP. (4059) 30011 IVY GLENN LAGUNA NIGUEL, CA 92677 (714) 495-0400

NORTH AMERICAN CELLULAR TELEPHONE, INC (4012) DR. JOHN M. DICK PRESIDENT 11160 WARNER AVENUE, SUITE 213 FOUNTAIN VALLEY, CA 92708 (714) 540-2620

MOTOROLA CELLULAR SERVICE, INC. (4025) CARI ANDERSON 1475 WEST SHURE DRIVE **ROOM 5224** ARLINGION HEIGHTS, IL 60004 (708) 632-6700

NOVA CELLULAR WEST, INC. (4038) KEVIN MCALLISTER PRESIDENT 324 B NORTH EL CAMINO REAL ENCINITAS, CA 92024 (619) 944-3434

MY STORE, INC. (4042) FOUAD MASRI PRESIDENT 1971 NORTH TUSTIN ORANGE, CA 92665 (714) 998-1115

PACIFIC COMMUNICATIONS INDUSTRIES INC. (4017) JODY FARACE PRESIDENT P.O. BOX 2088* CERRITOS, CA 90202-2088 (714) 261-1007

NATIONAL CELLULAR NETWORK (4037) WILLIAM B. VERNON P.O. BOX 7449 WESTLAKE VILLAGE, CA 91359-7449 (805) 373-9913

PACIFIC WEST CELLULAR* (4061) GERHARD RANDEL OWNER 25 EAST HUNTINGTON DRIVE* ARCADIA, CA 91006 (818) 445-3437

NATIONAL PAY TELEPHONE CORP. OF CALIF. (4033) PACTEL MOBILE SERVICES (4023) KEN SMITH REGULATORY AFFAIRS C/O AMNEX (CALIFORNIA), INC. 5295 TOWN CENTER ROAD BOCA RATON, FL 33486 (407) 394-9780

RICHARD NELSON 2999 OAK ROAD, MS 1050 WALNUT CREEK, CA 94596 (415) 210-3885

CALIFORNIA PUBLIC UTILITIES COMMISSION CELLULAR RESELLER

_ERSONAL CELLULAR SERVICES (4088) GARRY MCLAUGHLIN 26291 PRODUCTION AVENUE SUITE 3 HAYWARD, CA 94545 (415) 732-9531

SACRAMENTO CELLULAR TELEPHONE COMPANY (4041) REGULATORY CONTACT GENERAL MANAGER 1750 HOWE AVENUE, SUITE 102 SACRAMENTO, CA 95815

PORTABLE CELLULAR COMMS. INC. (4072) REGULATORY CONTACT 20 EAST SUNRISE HIGHWAY VALLEY STREAM, NY 11582

SANTA CRUZ CELLULAR (4054) ANDY PATEL P.O. BOX 1250 MILLBRAE, CA 94030 (415) 692-3434

RICHARD KEYSOR PRESIDENT 6800 ORANGETHORPE* #B BUENA PARK, CA 90620 (714) 523-4064

PRIME CELLULAR, INC. (CELLULAR BILLING) (4057) SOUTHERN CALIFORNIA TELEPHONE CO. (4055) DAVID MONIGOMERY 14148 E. FIRESTONE BLVD. SANTA FE SPRINGS, CA 90670

YRAMID CELLULAR MARKETING CORP. (4101) JONNE STANKEY 1936 TOPAZ AVENUE VENTURA, CA 93003 (805) 659-2181

SOUTHLAND COMMS (NATL. PAGING AIR CALL) (4011) AHMAD BAYAA PRESIDENT 1224 VILLAGE WAY, SUITE A SANTA ANA, CA 92705 (714) 664-1600

WILLIAM COLCLOUGH 1184 YULUPA AVE. SANTA ROSA, CA 95402 (707) 544-5041

REDWOOD CEILULAR COMMUNICATIONS INC. (4062) SOUTHWEST CEILULAR TELEPHONE CO., INC. (4068) DOROTHY FASACK 2064 NORTH BUSH STREET SANTA ANA, CA 92706 (714) 547-4663

ROBO CELLULAR (4098) REGULATORY CONTACT 1141 W. 190TH STE 525 GARDENA, CA 90248

THE CELLULAR SOURCE (KRONOS) (4063) J.F. GUHRING 110 S. PINE STREET #102 SANTA MARIA, CA 93454 (805) 922-2900

CALIFORNIA PUBLIC UTILITIES COMMISSION CELLULAR RESELLER

THE CELLULAR SVC. PARINERSHIP (4073)
GRAHAM TENNESON
C/O CELLULAND
580 FOLSOM STREET
SAN FRANCISCO, CA 94105
(415) 882-9626

VCI CELLULAR MOBILE PHONE CORP (4027) DAVID PEREZ P.O. BOX 537 CHERRY HILL, NJ 08003-0537

THE CITY CELLULAR COMPANY (4094)
GARY DEROOS
PRESIDENT
1061 N. SHEPARD, UNIT D
ANAHEIM, CA 92806
714 632-8320

WESTERN CELLULAR MANAGEMENT (4083) REGULATORY CONTACT 1196 UTOPIA PLACE SAN JOSE, CA 95127 (408) 272-5666

THE PHONE COMPANY FRANCHISING CORP. (4048) 1669 OLD BAYSHORE HIGHWAY BURLINGAME, CA 94010

XCELL CELLULAR (4078) HECTOR ROYBAL 747 EAST LOCUST PASADENA, CA 91101 818 795-4000

TRISTAR CELLULAR SERVICES (ELI BOULOS) (4081)
ELI BOULOS
PRESIDENT/PROPRIETOR
13801 VENTURA BOULEVARD
SUITE 100
SHERMAN OAKS, CA 91423
(818) 980-8645

TWENTIETH CENTURY CELLULAR (4071) KIMBERLY SOMMERHAUSER ASSISTANT TO THE PRESIDENT 2575 EL PRESIDIO STREET LONG BEACH, CA 90810

ULTRATELECOM, INC. (4013)
GEORGE L. SERRON
10846 WASHINGTON BLVD.*
CULVER CITY, CA 90230-3610
(213) 202-1777

^{*}Last known address. Reportedly changed/moved.

CALIFORNIA PUBLIC UTILITIES COMMISSION CELLULAR WHOLESALE

REGULATORY CONTACT 4180 TRUXTON AVENUE BAKERSFIELD, CA 93309

_AKERSFIELD CELLULAR TELEPHONE COMPANY (3017) CALIFORNIA RSA NO. 3 LTD. PARTNERSHIP (3028) MIKE MOTT 223 PERIMETER CENTER PARKWAY SUITE 4400 ATLANIA, GA 30346 (404) 804 3414

BAY AREA CELLULAR TELEPHONE COMPANY (3007) ADAM A. ANDERSON MARKETING MANAGER 577 AIRPORT BLVD., THIRD FLOOR P.O. BOX 953 BURLINGAME, CA 94010 (415) 340-9500

CALIFORNIA RSA NO. 4 LTD. PARINERSHIP (3038) MIKE MOTT 223 PERIMETER CENTER PARKWAY SUITE 400 ATLANIA, GA 30346 (404) 804-3414

BUTTE COUNTY CELLULAR LICENSE CORP. (3022) REGULATORY CONTACT 44 MONIGOMERY ST. 39TH FLOOR SAN FRANCISCO, CA 94102 (415) 391-4100

CELLULAR PACIFIC (3034) REGULATORY CONTACT 1944 MANOA DR. HONOLULU, HI 96822

"AGAL CELLULAR COMMS. CORP (3021) WRENCE ROSENIHAL ±300 CLAY STREET SUITE 600 OAKLAND, CA 94612

CENTURY EL CENTRO CELLULAR CORP (3027) REGULATORY CONTACT 496 WEST EUCLID ROAD EL CENTRO, CA 92243

CAL-ONE CELLULAR L.P. (3036) JAMES HENDRICKS P.O. BOX 627 FORT JONES, CA 96032 (415)597-7800

CONTEL CELLULAR OF CALIFORNIA INC. (3030) REGULATORY CONTACT 223 PERIMETER CENTER PARKWAY SUITE 4400 ATLANIA, GA 30346 (404) 804-3400

CALIFORNIA 9 CELLULAR CORPORATION (3023) CHRISTOPHER JOHNSON MANAGER-REGULATORY COMPLIANCE 1891 WOOLNER AVE FAIRFIELD, CA 94533 (707) 425-8000

CONTEL CELLULAR OF CALIFORNIA, INC. (3029) MIKE MOIT 223 PERIMETER CENTER PARKWAY SUITE 400 ATLANTA, GA 30346 404 698-6100

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DATA CELLULAR SYSTEMS (3033) REGULATORY CONTACT 22909 VENTURA ELVD WOODLAND HILLS, CA 91364

LOS ANGELES SMSA LIMITED PARINERSHIP (3003) RICHARD NELSON 2999 OAK ROAD, MS 1050 WALNUT CREEK, CA 94596 (415) 210-3885

FRESNO CELLULAR TELEPHONE COMPANY (3014) DAVID B. NEEDHAM GENERAL MANAGER 5260 NORTH PALM AVENUE, SUITE 120 FRESNO, CA 93710 (209) 438-8888

MAMMOTH CELLULAR, INC. (3025) PRIMAY CONTACT 44 MONIGOMERY STREET, 40TH FLOOR SAN FRANCISCO, CA 94104

FRESNO MSA LITO. PARINERSHIP (3005) MIKE MOTT MANAGER-REGULATORY RELATIONS CONTEL CELLULAR INC. 223 PERIMETER CENTER PARKWAY NE ATLANTA, GA 30346-1304 (404) 698-6105

MODOC RSA LIMITED PARINERSHIP (3032) RICHARD NELSON 130 KEARNY ST. 27TH FLOOR SAN FRANCISCO, CA 94108

GTE MOBILNET OF CA., LTD. PINRSHP (3002) PHILIP L. FORBES 616 FM 1960 WEST, SUITE 400 HOUSTON, TX 77090 (713) 586-1436

MOUNTAIN CELLULAR (3024) REGULATORY CONTACT 2849 RAY LAWYER DRIVE PLACERVILLE, CA 95667

GTE MOBILNET OF SANTA BARBARA (3011) KEN PATLA 105 WEST GUTTERREZ SANTA BARBARA, CA 93101 (805) 965-1565

NAPA CELLULAR TELEPHONE COMPANY (3016) GENERAL MANAGER 398 TESCONI COURT SANTA ROSA, CA 95401

LOS ANGELES CELLULAR TELEPHONE COMPANY (3009) NORTH COAST CELLULAR (RANDOLPH) (3031) MIKE HEIL PRESIDENT . 4900 S. EASTERN AVE. STE. 100 LOS ANGELES, CA 90040-2935 (213) 721-3939

REGULATORY CONTACT 1615 HIGHLAND AVENUE EUREKA, CA 95501

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TEL CELLULAR (3001) RICHARD NELSON 2999 OAK ROAD, MS 1050 WALNUT CREEK, CA 94596 (415) 210-3885

SANTA CRUZ TELEPHONE COMPANY (3019) LYNNE GIUFFRE GENERAL MANAGER 3949 RESEARCH PARK, SUITE 100 SOQUEL, CA 95073 (408) 464-1000

REDDING CELLULAR PARTNERSHIP (3020) BILL JARVIS C/O SACRAMENTO CELLULAR 1750 HOWE AVE, SUITE 102 SACRAMENTO, CA 95825 (916) 923-2222

STOCKTON CEILULAR (3012) AL RODGRIGUES GENERAL MANAGER 2321 WEST MARCH LANE, SUITE 210 STOCKTON, CA 95207 (209) 476-1400

SACRAMENTO CELLULAR TELEPHONE COMPANY (3013) BILL JARVIS 1750 HOWE AVENUE, SUITE 102 SACRAMENTO, CA 95825 (916) 923-2222 US WEST CELLULAR OF CA., INC. (NEWVECTOR) (3008)
JENNIFER POMEROY-SHANKS
3350 161ST AVE SE
BELLEVUE, WA 98008
(206) 644-7888

CACRAMENIO VALLEY LID. PARTNERSHIP (3004)

LIARD NELSON

J99 OAK ROAD, MS 1050

WALNUT CREEK, CA 94596
(415) 210-3788

VENTURA CELLULAR (CELLULAR ONE) (3010) AL RODRIGUES 751 DAILY DRIVE, SUITE 116 CAMARILLO, CA 93010 (805) 987-0955

SALINAS CELLULAR TELEPHONE COMPANY (3018)
REGULATORY CONTACT
GENERAL MANAGER
198 BONIFACIO PLACE
MONTEREY, CA 93940
(408) 647-8888

SANTA BARBARA CELLULAR (CELLULAR ONE) (3015) WILLIAM R. GILL GENERAL MANAGER 6485 CALLE REAL, SUITE E GOLETA, CA 93117 (800) 722-7464

APPENDIX D Page 34 CALIFORNIA PUBLIC UTILITIES COMMISSION RADIO TELEPHONE UTILITY

HIGH SIERRA MOBILFONE, INC. (2021) REGULATORY CONTACT 281-D EAST SOUTH ST. BISHOP, CA 93514 (619) 873-3906

KERN VALLEY DISPATCH, INC. (2026) ROBERT BOHN PRESIDENT P.O. BOX 857 KERNVILLE, CA 93238 (619) 376-2246

VICE PRESIDENT 333 THORNELL ST. 4TH FLOOR* EDISON, NJ 08837-2220

HIGH TECH COMMUNICATIONS OF CALIF., IN (2022) KIDD'S COMMUNICATIONS, INC. (ICS) (2027) STEPHEN GREEN BRANCH MANAGER 215 E. 18TH ST. BAKERSFIELD, CA 93305 (805) 322-0700

IMPERIAL VALLEY MOBILE PHONE (2109) FRED DANIEL 10783 BELL COURT RANCHO CUCAMONGA, CA 91730

KWIK-PAGE COMMUNICATIONS, INC. (2120) REGULATORY CONTACT 2893 E. LA PALMA AVE. ANAHEIM, CA 92806 (714) 630-1999

. INLAND DESERT SECURITY & COMMUNICATION (2066) MADERA RADIO DISPATCH (2029) RALPH BUCHWALTER 312 SO. SYCAMORE ST. RIALTO, CA 92376 (214) 875-2560

FRED C. MASSETTI PRESIDENT P.O. BOX 28 MADERA, CA 93639 (209) 673-5131

INTERNATIONAL PAGING CORP. (2106) ROBERT WINTER VICE PRESIDENT 3452 E FOOTHILL BLVD. PASADENA, CA 91107-3142 (213) 681-4800

METROCALL OF DELAWARE (2079) BENTON BURROUGHS VICE PRESIDENT, GENERAL COUNSEL 6677 RICHMOND HWY ALEXANDRIA, VA. 22306 (703) 660-9343

INTERPACE, INC. (2068) MR. JAY YAMPOL 171 WEST 12TH ST SUITE 6C NEW YORK, NY 10011 (212) 243-6921

METROMEDIA PAGING SERVICES INC. (ICS) (2023) LEVAN M. GOPADZE V.P. - WESTERN REGION P.O. BOX 4090 ANAHEIM, CA 92803 (714) 220–2337

(END OF APPENDIX D)